

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 28, 2020

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-13057

RALPH LAUREN CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

650 Madison Avenue, New York, New York

(Address of principal executive offices)

13-2622036

(I.R.S. Employer Identification No.)

10022

(Zip Code)

(212) 318-7000

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on which Registered</u>
Class A Common Stock, \$.01 par value	RL	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the registrant's voting common stock held by non-affiliates of the registrant was \$4,649,512,283 as of September 27, 2019, the last business day of the registrant's most recently completed second fiscal quarter based on the closing price of the common stock on the New York Stock Exchange.

At May 22, 2020, 47,777,235 shares of the registrant's Class A common stock, \$.01 par value and 24,881,276 shares of the registrant's Class B common stock, \$.01 par value were outstanding.

Part III incorporates by reference information from certain portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission within 120 days after the fiscal year ended March 28, 2020.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this Form 10-K or incorporated by reference into this Form 10-K, in future filings by us with the Securities and Exchange Commission (the "SEC"), in our press releases, and in oral statements made from time to time by us or on our behalf constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, statements regarding our future operating results and sources of liquidity (especially in light of the COVID 19 pandemic), the impact of our strategic plans, initiatives and capital expenses, and our ability to meet environmental, social, and governance goals. Forward looking statements are based on current expectations and are indicated by words or phrases such as "anticipate," "outlook," "estimate," "expect," "project," "believe," "envision," "goal," "target," "can," "will," and similar words or phrases and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed in or implied by such forward-looking statements. These risks, uncertainties, and other factors include, among others:

- the loss of key personnel, including Mr. Ralph Lauren, or other changes in our executive and senior management team or to our operating structure, and our ability to effectively transfer knowledge during periods of transition;
- the impact to our business resulting from the COVID-19 pandemic, including the temporary closure of our stores, distribution centers, and corporate facilities, as well as those of our wholesale customers, licensing partners, suppliers, and vendors, and potential changes to consumer behavior, spending levels, and/or shopping preferences, such as their willingness to congregate in shopping centers or other populated locations;
- our ability to access capital markets and maintain compliance with covenants associated with our existing debt instruments;
- our ability to maintain adequate levels of liquidity to provide for our cash needs, including our debt obligations, tax obligations, payment of dividends, capital expenditures, and potential repurchases of our Class A common stock, as well as the ability of our customers, suppliers, vendors, and lenders to access sources of liquidity to provide for their own cash needs;
- the impact to our business resulting from changes in consumers' ability, willingness, or preferences to purchase discretionary items and luxury retail products, which tends to decline during recessionary periods, and our ability to accurately forecast consumer demand, the failure of which could result in either a build-up or shortage of inventory;
- the impact of economic, political, and other conditions on us, our customers, suppliers, vendors, and lenders, including business disruptions related to pandemic diseases such as COVID-19 and political unrest such as the recent protests in Hong Kong;
- the potential impact to our business resulting from the financial difficulties of certain of our large wholesale customers, which may result in consolidations, liquidations, restructurings, and other ownership changes in the retail industry, as well as other changes in the competitive marketplace, including the introduction of new products or pricing changes by our competitors;
- our ability to successfully implement our long-term growth strategy;
- our ability to continue to expand and grow our business internationally and the impact of related changes in our customer, channel, and geographic sales mix as a result, as well as our ability to accelerate growth in certain product categories;
- our ability to open new retail stores and concession shops, as well as enhance and expand our digital footprint and capabilities, all in an effort to expand our direct-to-consumer presence;
- our ability to respond to constantly changing fashion and retail trends and consumer demands in a timely manner, develop products that resonate with our existing customers and attract new customers, and execute marketing and advertising programs that appeal to consumers;
- our ability to effectively manage inventory levels and the increasing pressure on our margins in a highly promotional retail environment;
- our ability to continue to maintain our brand image and reputation and protect our trademarks;
- our ability to competitively price our products and create an acceptable value proposition for consumers;

- a variety of legal, regulatory, tax, political, and economic risks, including risks related to the importation and exportation of products which our operations are currently subject to, or may become subject to as a result of potential changes in legislation, and other risks associated with our international operations, such as compliance with the Foreign Corrupt Practices Act or violations of other anti-bribery and corruption laws prohibiting improper payments, and the burdens of complying with a variety of foreign laws and regulations, including tax laws, trade and labor restrictions, and related laws that may reduce the flexibility of our business;
- the potential impact to our business resulting from the imposition of additional duties, tariffs, taxes, and other charges or barriers to trade, including those resulting from current trade developments with China and the related impact to global stock markets, as well as our ability to implement mitigating sourcing strategies;
- the impact to our business resulting from the United Kingdom's exit from the European Union and the uncertainty surrounding its future relationship with the European Union, including trade agreements, as well as the related impact to global stock markets and currency exchange rates;
- the impact to our business resulting from increases in the costs of raw materials, transportation, and labor, including wages, healthcare, and other benefit-related costs;
- our ability to secure our facilities and systems and those of our third-party service providers from, among other things, cybersecurity breaches, acts of vandalism, computer viruses, or similar Internet or email events;
- our efforts to successfully enhance, upgrade, and/or transition our global information technology systems and digital commerce platforms;
- the potential impact to our business if any of our distribution centers were to become inoperable or inaccessible;
- the potential impact on our operations and on our suppliers and customers resulting from man-made or natural disasters, including pandemic diseases such as COVID-19, severe weather, geological events, and other catastrophic events;
- changes in our tax obligations and effective tax rate due to a variety of other factors, including potential changes in U.S. or foreign tax laws and regulations, accounting rules, or the mix and level of earnings by jurisdiction in future periods that are not currently known or anticipated;
- our exposure to currency exchange rate fluctuations from both a transactional and translational perspective;
- the impact to our business resulting from potential costs and obligations related to the early or temporary closure of our stores or termination of our long-term, non-cancellable leases;
- our ability to achieve anticipated operating enhancements and cost reductions from our restructuring plans, as well as the impact to our business resulting from restructuring-related charges, which may be dilutive to our earnings in the short term;
- the impact to our business of events of unrest and instability that are currently taking place in certain parts of the world, as well as from any terrorist action, retaliation, and the threat of further action or retaliation;
- the potential impact to the trading prices of our securities if our Class A common stock share repurchase activity and/or cash dividend payments differ from investors' expectations;
- our ability to maintain our credit profile and ratings within the financial community;
- our intention to introduce new products or brands, or enter into or renew alliances;
- changes in the business of, and our relationships with, major wholesale customers and licensing partners;
- our ability to achieve our goals regarding environmental, social, and governance practices; and
- our ability to make certain strategic acquisitions and successfully integrate the acquired businesses into our existing operations.

These forward-looking statements are based largely on our expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control. A detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations is described in Part I of this Form 10-K

under the heading of "Risk Factors." We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

WEBSITE ACCESS TO COMPANY REPORTS AND OTHER INFORMATION

Our investor website is <http://investor.ralphlauren.com>. We were incorporated in June 1997 under the laws of the State of Delaware. Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed with or furnished to the SEC pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934, are available free of charge at our investor website under the caption "SEC Filings" promptly after we electronically file such materials with or furnish such materials to the SEC. All such filings are also available on the SEC's website at <https://www.sec.gov>. Information relating to corporate governance at Ralph Lauren Corporation, including our Corporate Governance Policies, our Code of Business Conduct and Ethics for all directors, officers, and employees, our Code of Ethics for Principal Executive Officers and Senior Financial Officers, and information concerning our directors, Committees of the Board of Directors, including Committee charters, and transactions involving Ralph Lauren Corporation securities by directors and executive officers, are available at our website under the captions "Corporate Governance" and "SEC Filings." Paper copies of these filings and corporate governance documents are available to stockholders without charge by written request to Investor Relations, Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022.

In this Form 10-K, references to "Ralph Lauren," "ourselves," "we," "our," "us," and the "Company" refer to Ralph Lauren Corporation and its subsidiaries, unless the context indicates otherwise. Due to the collaborative and ongoing nature of our relationships with our licensees, such licensees are sometimes referred to in this Form 10-K as "licensing alliances." Our fiscal year ends on the Saturday closest to March 31. All references to "Fiscal 2021" represent the 52-week fiscal year ending March 27, 2021. All references to "Fiscal 2020" represent the 52-week fiscal year ended March 28, 2020. All references to "Fiscal 2019" represent the 52-week fiscal year ended March 30, 2019. All references to "Fiscal 2018" represent the 52-week fiscal year ended March 31, 2018.

PART I

Item 1. *Business.*

General

Founded in 1967 by Mr. Ralph Lauren, we are a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances and hospitality. Our long-standing reputation and distinctive image have been developed across an expanding number of products, brands, sales channels, and international markets. We believe that our global reach, breadth of product offerings, and multi-channel distribution are unique among luxury and apparel companies.

We diversify our business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows us to maintain a dynamic balance as our operating results do not depend solely on the performance of any single geographic area or channel of distribution. We sell directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and digital commerce operations around the world. Our wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which we have licensed the right to operate in defined geographic territories using our trademarks. In addition, we license to third parties for specified periods the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

We organize our business into the following three reportable segments: North America, Europe, and Asia. In addition to these reportable segments, we also have other non-reportable segments. See "*Our Segments*" for further discussion of our segment reporting structure.

Our global reach is extensive, as we sell directly to customers throughout the world via our 530 retail stores and 654 concession-based shop-within-shops, as well as through our own digital commerce sites and those of various third-party digital partners. Merchandise is also available through our wholesale distribution channels at over 11,000 doors worldwide, the majority in specialty stores, as well as through the digital commerce sites of many of our wholesale customers. In addition to our directly-operated stores and shops, our international licensing partners operate 80 Ralph Lauren stores, 31 Ralph Lauren concession shops, and 139 Club Monaco stores and shops.

We continue to invest in our business to stimulate growth. Over the past five fiscal years, we have invested approximately \$1.331 billion for capital improvements, primarily funded through strong operating cash flow. We also have continued to return value to our shareholders through our common stock share repurchases and payment of quarterly cash dividends. Over the past five fiscal years, the cost of shares of Class A common stock repurchased pursuant to our common stock repurchase program was approximately \$1.800 billion and dividends paid amounted to approximately \$892 million.

We have been controlled by the Lauren family since the founding of our Company. As of March 28, 2020, Mr. R. Lauren, or entities controlled by the Lauren family, held approximately 84% of the voting power of the Company's outstanding common stock.

Objectives and Opportunities

We believe that our size and the global scope of our operations provide us with design, sourcing, and distribution synergies across our different businesses. Our core strengths include a portfolio of global premium lifestyle brands, a well-diversified global multi-channel distribution network, an investment philosophy supported by a strong balance sheet, and an experienced management team. Despite the various risks and uncertainties associated with the current global economic environment, as discussed further in Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Conditions and Industry Trends," we believe our core strengths will allow us to execute our long-term growth strategy.

An overview of our long-term growth strategy is presented below:



Global Citizenship and Sustainability

Global citizenship and sustainability at Ralph Lauren Corporation is rooted in the heritage of our brand and our purpose to inspire the dream of a better life through authenticity and timeless style. We believe that delivering the next 50 years for Ralph Lauren means rethinking our impact on the environment and society and utilizing creativity, the power of design, and innovative technologies to drive meaningful change.

Although we are at the beginning of this journey, the values and purpose that have defined our business for half a century underline the authenticity of our commitment for our next 50 years. We call our plan "Design the Change," which is guided by the following three pillars:

1. Create Timeless Style

- *Sustainable Product Design* — We commit to designing more sustainable products and experiences by sourcing responsibly, manufacturing efficiently, and investing in innovation that advances these efforts.
- *Sourcing & Traceability* — We are committed to sourcing responsibly, securing a long-term, sustainable supply for key raw materials, as well as implementing a supplier engagement strategy that drives transparency, efficiency and partnerships that advance our work to deliver positive social and environmental impacts across our value chain.
- *Chemical Management* — We commit to monitor and reduce hazardous chemical use and discharge, ultimately eliminating all hazardous chemicals from the production of our products.

2. Protect the Environment

- *Carbon and Energy* — We commit to address the issue of global climate change and the contributing impacts of our business by reducing greenhouse gas emissions across our value chain.
- *Waste Management* — We commit to integrating zero waste principles across our business with an aim to divert waste from landfill through increasing recycling and upcycling, reducing waste at its source, and implementing other best practices.
- *Water Stewardship* — We commit to reducing water consumption across our value chain, and to safeguarding and preserving water resources in the communities where we operate.

3. Champion Better Lives

- *Diversity and Inclusion* — We are committed to advancing an inclusive environment where everyone has a sense of belonging throughout our value chain.
- *Health, Safety & Working Conditions* — We aim to enrich the quality of work and life for all workers in our value chain by ensuring that everyone has the opportunity to reach their full potential in a safe and comfortable work environment.
- *Community Engagement & Philanthropy* — We commit to meaningfully engaging our communities through our work across cancer care as well as our global employee volunteerism program.

Additional information relating to Design the Change can be found in our annual sustainability report, which is available at our website at <http://investor.ralphlauren.com> under the caption "Global Citizenship & Sustainability Report." The content of our sustainability reports are not incorporated by reference into this Annual Report on Form 10-K or in any other report or document we file with the SEC.

Recent Developments

COVID-19 Pandemic

A novel strain of coronavirus commonly referred to as COVID-19 has spread rapidly across the globe in recent months, including throughout all major geographies in which we operate (North America, Europe, and Asia), resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Governments worldwide have imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items. Additionally, during this period of uncertainty, companies across a wide array of industries have implemented various initiatives to reduce operating expenses and preserve cash balances, including work furloughs and reduced pay, which could lower consumers' disposable income levels or willingness to purchase discretionary items. Further, even after such government restrictions and company initiatives are lifted, consumer behavior, spending levels, and/or shopping preferences, such as their willingness to congregate in shopping centers or other populated locations, could be adversely affected.

In connection with the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors. For example, a significant number of our stores in parts of Asia were closed for a substantial portion of our fourth quarter of Fiscal 2020. Although our stores in Asia were largely reopened by the end of our Fiscal 2020, certain countries, including Japan, began imposing new restrictions during our first quarter of Fiscal 2021. Retail traffic also continues to be challenging in those regions in which our stores are open. Additionally, our stores in North America and the majority in Europe closed mid-March or earlier, and although certain stores have since reopened, a large number remain closed and we are uncertain when they will reopen. Our wholesale business has also been adversely affected, particularly in North America and Europe, as a result of department store closures and lower traffic and consumer demand.

In response to the COVID-19 pandemic, we have taken preemptive actions to preserve cash and strengthen our liquidity, including:

- drawing down \$475 million from our Global Credit Facility to bolster cash balances;
- entering into a new credit facility with the same lenders that are parties to the Global Credit Facility, which provides for an additional \$500 million senior unsecured revolving line of credit that matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements;
- temporarily suspending our common stock repurchase program and our quarterly cash dividend;
- temporarily reducing the base compensation of our executives and senior management team, as well as our Board of Directors;
- carefully managing our expense structure across all key areas of spend, including aligning inventory levels with anticipated demand and postponing non-critical capital build-out and other investments and activities; and
- temporarily furloughing or reducing work hours for a significant portion of our employees who nevertheless remain eligible for employee benefits during such period.

The COVID-19 pandemic remains highly volatile and continues to evolve on a daily basis. Accordingly, we cannot predict for how long and to what extent this crisis will impact our business operations or the global economy as a whole. We will continue to assess our operations location-by-location, taking into account the guidance of local governments and global health organizations to determine when our operations can begin returning to normal course of business. See Item 1A — "Risk Factors — Infectious disease outbreaks, such as the recent COVID-19 pandemic, could have a material adverse effect on our business" for additional discussion regarding risks to our business associated with the COVID-19 pandemic.

Swiss Tax Reform

In May 2019, a public referendum was held in Switzerland that approved the Federal Act on Tax Reform and AHV Financing (the "Swiss Tax Act"), which became effective January 1, 2020. The Swiss Tax Act eliminates certain preferential tax items at both the federal and cantonal levels for multinational companies and provides the cantons with parameters for establishing local tax rates and regulations. The Swiss Tax Act also provides transitional provisions, one of which allows eligible companies to

increase the tax basis of certain assets based on the value generated by their business in previous years, and to amortize such adjustment as a tax deduction over a transitional period. In connection with this transitional provision, we recorded a one-time income tax benefit and corresponding deferred tax asset of \$122.9 million during Fiscal 2020, which decreased our effective tax rate by 3,760 basis points.

See Note 10 to the accompanying consolidated financial statements for additional discussion regarding the Swiss Tax Act.

Fiscal 2019 Restructuring Plan

On June 4, 2018, our Board of Directors approved a restructuring plan associated with our strategic objective of operating with discipline to drive sustainable growth (the "Fiscal 2019 Restructuring Plan"). The Fiscal 2019 Restructuring Plan includes the following restructuring-related activities: (i) rightsizing and consolidation of our global distribution network and corporate offices; (ii) targeted severance-related actions; and (iii) closure of certain of our stores and shop-within-shops. Actions associated with the Fiscal 2019 Restructuring Plan are expected to result in gross annualized expense savings of approximately \$60 million to \$80 million.

In connection with the Fiscal 2019 Restructuring Plan, we have recorded cumulative charges of \$145.8 million since its inception, of which \$48.5 million and \$97.3 million were recorded during Fiscal 2020 and Fiscal 2019, respectively. Actions associated with the Fiscal 2019 Restructuring Plan are complete and no additional charges are expected to be incurred in connection with this plan.

See Note 9 to our accompanying consolidated financial statements for additional discussion regarding charges recorded in connection with the Fiscal 2019 Restructuring Plan.

Our Brands and Products

Our products, which include apparel, footwear, accessories, and fragrance collections for men and women, as well as childrenswear and home furnishings, together with our hospitality portfolio, comprise one of the most widely recognized families of consumer brands. Reflecting a distinctive American perspective, we have been an innovator in aspirational lifestyle branding and believe that, under the direction of internationally renowned designer Mr. Ralph Lauren, we have had a considerable influence on the way people dress and the way that fashion is advertised throughout the world.

We combine consumer insight with our design, marketing, and imaging skills to offer, along with our licensing alliances, broad lifestyle product collections with a unified vision:

- *Apparel* — Our apparel products include extensive collections of men's, women's, and children's clothing, which are sold under various brand names, including Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Golf Ralph Lauren, Ralph Lauren Golf, RLX Ralph Lauren, Polo Ralph Lauren Children, Chaps, and Club Monaco, among others;
- *Footwear and Accessories* — Our range of footwear and accessories encompasses men's, women's, and children's, including casual shoes, dress shoes, boots, sneakers, sandals, eyewear, watches, fashion and fine jewelry, scarves, hats, gloves, umbrellas, and leather goods, including handbags, luggage, small leather goods, and belts, which are sold under the Ralph Lauren Collection, Ralph Lauren Purple Label, Double RL, Polo Ralph Lauren, Lauren Ralph Lauren, Polo Ralph Lauren Children, Chaps, and Club Monaco brands;
- *Fragrance* — Our fragrance offerings capture the essence of Ralph Lauren's men's and women's brands with numerous labels, designed to appeal to a variety of audiences. Women's fragrance products are sold under our Ralph Lauren Collection, Woman by Ralph Lauren, Romance Collection, Ralph Collection, and Big Pony Women's brands. Men's fragrance products are sold under our Polo Blue, Safari, Purple Label, Polo Red, Polo Green, Polo Black, Polo Supreme, Polo Sport, and Big Pony Men's brands;
- *Home* — Our coordinated home products include bedding and bath products, furniture, fabric and wallpaper, lighting, tabletop, floorcoverings, and giftware; and
- *Hospitality* — Continuing to engage our consumers with experiential and unique expressions of the brand, our hospitality portfolio is a natural extension of the World of Ralph Lauren as expressed through the culinary arts. Ralph Lauren's global hospitality collection is comprised of our restaurants including *The Polo Bar* in New York City, *RL*

Restaurant located in Chicago, *Ralph's* located in Paris, and our *Ralph's Coffee* concept in various cities around the world.

Our lifestyle brand image is reinforced by our distribution through our stores and concession-based shop-within-shops, our wholesale channels of distribution, our global digital commerce sites, and our Ralph Lauren restaurants. We sell our products under the following key brand platforms:

1. **Ralph Lauren Luxury** — Our Luxury group includes:

Ralph Lauren Collection and Ralph Lauren Purple Label. Ralph Lauren Collection embodies the highest expression of chic, feminine glamour. Each piece is inspired by a vision of timeless luxury and modern elegance, and is crafted with unparalleled passion and artistry. For men, Ralph Lauren Purple Label is the ultimate expression of luxury for the modern gentleman. Refined suitings are hand-tailored, including custom made-to-measure suits crafted in the time-honored traditions of Savile Row. Purple Label's sophisticated sportswear is designed with a meticulous attention to detail, capturing the elegance and ease of Ralph Lauren's signature, timeless style. Ralph Lauren Collection and Ralph Lauren Purple Label are available in Ralph Lauren stores around the world, an exclusive selection of the finest specialty stores, and online at our Ralph Lauren digital commerce sites, including RalphLauren.com.

Double RL. Founded in 1993 and named after Ralph Lauren's working cattle ranch in Colorado, Double RL is a tribute to America's pioneering spirit and tradition of rugged independence. The foundation of Double RL lies in timeless wardrobe staples, including authentic American made selvedge denim, military-grade chinos, tube-knit t-shirts, thermals, and flannels. Beyond these iconic styles are added seasonal vintage-inspired collections, along with a full collection of footwear and accessories, including quality belts, bags, and leather goods. Double RL is available at Double RL stores, at select Ralph Lauren stores, and an exclusive selection of the finest specialty stores around the world, as well as online at our Ralph Lauren digital commerce sites, including RalphLauren.com.

Ralph Lauren Home. Ralph Lauren Home represents a full expression of modern luxury — style is a life well-lived. Based on an immersive design ethos, the collection includes furniture, lighting, bed and bath linens, tabletop, decorative accessories and gifts, as well as fabric, wallcoverings, and floorcoverings. Each piece is crafted with the greatest attention to detail. Ralph Lauren Home offers exclusive luxury goods at select Ralph Lauren stores, home specialty stores, trade showrooms, and online at our Ralph Lauren digital commerce sites, including RalphLauren.com. The complete world of Ralph Lauren Home can be explored online at RalphLaurenHome.com.

Ralph Lauren Watches and Fine Jewelry. We offer a premier collection of timepieces, which embody Ralph Lauren's passion for impeccable quality and exquisite design. We also offer premium collections of fine jewelry, which capture the glamour and craftsmanship of Ralph Lauren's most luxurious designs. Ralph Lauren watches and fine jewelry are available at select Ralph Lauren stores and flagship locations around the world. A selection of watches is also available online at RalphLauren.com and the finest watch retailers.

2. **Polo Ralph Lauren** — The Polo Ralph Lauren group includes:

Polo Ralph Lauren. Men's Polo combines Ivy League classics and time-honored English haberdashery with downtown styles and all-American sporting looks in sportswear and tailored clothing. Women's Polo represents the epitome of classic and iconic American style with a modern and cool twist. Polo's signature aesthetic includes our renowned polo player logo. Men's and Women's Polo apparel, footwear, and accessories are available in Polo and Ralph Lauren stores around the world, better department and specialty stores, and online at our Ralph Lauren digital commerce sites, including RalphLauren.com.

Polo Ralph Lauren Children. Polo Ralph Lauren Children is designed to reflect the timeless heritage and modern spirit of Ralph Lauren's collections for men and women. Signature classics include iconic polo knit shirts and luxurious cashmere cable-knit sweaters. Polo Ralph Lauren Children is available in a full range of sizes, from baby to girls 2-16 and boys 2-20. Polo Ralph Lauren Children can be found in select Polo and Ralph Lauren stores around the world, better department stores, and online at our Ralph Lauren digital commerce sites, including RalphLauren.com, as well as certain of our retailer partner digital commerce sites.

Polo Golf Ralph Lauren, Ralph Lauren Golf, and RLX Ralph Lauren. Tested and worn by top-ranked professional golfers, Polo Golf Ralph Lauren, Ralph Lauren Golf, and RLX Ralph Lauren for men and women define excellence in the world of golf. With a sharpened focus on the needs of the modern player but rooted in the rich design tradition of Ralph Lauren, the Golf collections combine state-of-the-art performance wear with luxurious finishing touches. Our Golf collections are available in select Polo stores, exclusive private clubs and resorts, and online at RalphLauren.com.

Pink Pony. Established in 2000, the Pink Pony campaign is our worldwide initiative in the fight against cancer. In the U.S., a percentage of sales from Pink Pony products benefit the Pink Pony Fund of the Ralph Lauren Corporate Foundation (formerly known as the Polo Ralph Lauren Foundation), which supports programs for early diagnosis, education, treatment, and research, and is dedicated to bringing patient navigation and quality cancer care to medically underserved communities. Internationally, a network of local cancer charities around the world benefit from the sale of Pink Pony products. Pink Pony consists of dual gender sportswear and accessories. Pink Pony items feature our iconic pink polo player – a symbol of our commitment to the fight against cancer. Pink Pony is available at select Polo and Ralph Lauren stores and online at our Ralph Lauren digital commerce sites, including RalphLauren.com. Pink Pony is also available at select Macy's stores and online at Macys.com.

3. **Lauren Ralph Lauren** — Our Lauren group includes:

Lauren Ralph Lauren. Lauren for women combines timeless style with modern femininity in a lifestyle collection of sportswear, denim, and dresses, as well as footwear and accessories at a more accessible price point. Lauren for women is available in select department stores around the world and online at select digital commerce sites, including RalphLauren.com. Lauren for men offers a complete collection of men's tailored clothing, including suits, sport coats, dress shirts, dress pants, tuxedos, topcoats, and ties at a more accessible price point. Lauren for men is available at select department stores in North America and Europe.

Lauren Home. Launched in 2017, the Lauren Home collection includes accessibly-priced, timeless bath and bedding designs, updated with a fresh, modern spirit. The collection is built upon an assortment of essentials that is designed to be periodically augmented with trend-relevant colors and patterns.

4. **Chaps** — Launched in 1978, Chaps celebrates real American style, delivering classic collections updated for modern lifestyles for men, women, children and home. The modern lifestyle collection offers versatile sportswear, workday essentials, tailored clothing, and occasion dresses that are wearable from season to season. Chaps is available in select department stores and retail partner digital commerce sites across the U.S., Canada, Mexico, and China.
5. **Club Monaco** — Founded in 1985, Club Monaco is a modern, urban-minded brand with an element of ease and a spark of entrepreneurship. The brand prides itself on creating elevated essentials recognized for their style, design, fit, and functionality with a relaxed, of-the-moment sensibility. Club Monaco apparel, footwear, and accessories are available at Club Monaco stores and select department stores in North America and around the world, as well as online at ClubMonaco.com and ClubMonaco.ca.

Our Segments

We organize our business into the following three reportable segments:

- *North America* — Our North America segment, representing approximately 51% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in the U.S. and Canada, excluding Club Monaco. In North America, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, and our digital commerce site, www.RalphLauren.com. Our wholesale business in North America is comprised primarily of sales to department stores, and to a lesser extent, specialty stores.
- *Europe* — Our Europe segment, representing approximately 26% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in Europe, the Middle East, and Latin America, excluding Club Monaco. In Europe, our retail business is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. Our wholesale business in Europe is comprised of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — Our Asia segment, representing approximately 17% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through our retail and wholesale businesses in Asia, Australia, and New Zealand. Our retail business in Asia is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our digital commerce site, www.RalphLauren.cn, which launched in September 2018. In addition, we sell our products online through various third-party digital partner commerce sites. In Asia, our wholesale business is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form our reportable segments. In addition to these reportable segments, we also have other non-reportable segments, representing approximately 6% of our Fiscal 2020 net revenues, which primarily consist of (i) sales of Club Monaco branded products made through our retail and wholesale businesses in the U.S., Canada, and Europe, and our licensing alliances in Europe and Asia, and (ii) royalty revenues earned through our global licensing alliances, excluding Club Monaco.

This segment structure is consistent with how we establish our overall business strategy, allocate resources, and assess performance of our Company.

Effective beginning in the first quarter of Fiscal 2020, operating results related to our business in Latin America are included within our Europe segment due to a change in how we manage this business. Previously, such results were included within our other non-reportable segments. All prior period segment information has been recast to reflect this change on a comparative basis.

Approximately 46% of our Fiscal 2020 net revenues were earned outside of the U.S. See Note 20 to the accompanying consolidated financial statements for a summary of net revenues and operating income by segment, as well as net revenues and long-lived assets by geographic location.

Our Retail Business

Our retail business sells directly to customers throughout the world via our 530 retail stores and 654 concession-based shop-within-shops, totaling approximately 4.1 million and 0.7 million square feet, respectively, as well as through our own digital commerce sites and those of various third-party digital partners. We operate our business using a global omni-channel retailing strategy that seeks to deliver an integrated shopping experience with a consistent message of our brands and products to our customers, regardless of whether they are shopping for our products in physical stores or online.

Ralph Lauren Stores

Our Ralph Lauren stores feature a broad range of apparel, footwear, accessories, watch and jewelry, fragrance, and home product assortments in an atmosphere reflecting the distinctive attitude and image of the Ralph Lauren, Polo, and Double RL brands, including exclusive merchandise that is not sold in department stores. During Fiscal 2020, we opened 23 new Ralph Lauren

stores and closed six stores. Our Ralph Lauren stores are primarily situated in major upscale street locations and upscale regional malls, generally in large urban markets.

The following table presents the number of Ralph Lauren stores by segment as of March 28, 2020:

	Ralph Lauren Stores
North America	41
Europe	30
Asia	67
Total	<u>138</u>

Our nine flagship Ralph Lauren regional store locations showcase our iconic styles and products and demonstrate our most refined merchandising techniques. In addition to generating sales of our products, our worldwide Ralph Lauren stores establish, reinforce, and capitalize on the image of our brands. Our Ralph Lauren stores range in size from approximately 600 to 37,900 square feet.

Factory Stores

We extend our reach to additional consumer groups through our 318 factory stores worldwide, which are principally located in major outlet centers. Our worldwide factory stores offer selections of our apparel, footwear, accessories, and fragrances. In addition to these product offerings, certain of our factory stores in North America and Europe offer home furnishings. During Fiscal 2020, we opened 24 new factory stores and closed 11 factory stores.

The following table presents the number of factory stores by segment as of March 28, 2020:

	Factory Stores
North America	189
Europe	64
Asia	65
Total	<u>318</u>

Our factory stores range in size from approximately 1,100 to 28,300 square feet. Factory stores obtain products from our suppliers, our product licensing partners, and our other retail stores and digital commerce operations, and also serve as a secondary distribution channel for our excess and out-of-season products.

Concession-based Shop-within-Shops

The terms of trade for shop-within-shops are largely conducted on a concession basis, whereby inventory continues to be owned by us (not the department store) until ultimate sale to the end consumer. The salespeople involved in the sales transactions are generally our employees and not those of the department store.

The following table presents the number of concession-based shop-within-shops by segment as of March 28, 2020:

	Concession-based Shop-within-Shops
North America	2
Europe	29
Asia	619
Other non-reportable segments	4
Total ^(a)	<u>654</u>

^(a) Our concession-based shop-within-shops were located at approximately 300 retail locations.

The size of our concession-based shop-within-shops ranges from approximately 100 to 3,500 square feet. We may share in the cost of building out certain of these shop-within-shops with our department store partners.

Club Monaco Stores

Our Club Monaco stores feature fashion apparel, footwear, and accessories for both men and women with clean and contemporary signature styles. During Fiscal 2020, we opened one new Club Monaco store and closed two stores. Our Club Monaco stores range in size from approximately 1,500 to 17,400 square feet.

The following table presents the number of Club Monaco stores by geographic location as of March 28, 2020:

	Club Monaco Stores
North America	70
Europe	4
Total ^(a)	74

^(a) Our Club Monaco business has been aggregated with other non-reportable segments.

Directly-Operated Digital Commerce Websites

In addition to our stores, our retail business sells products online in North America and Europe through our various directly-operated digital commerce sites, which include www.RalphLauren.com and www.ClubMonaco.com, among others, as well as through our Polo mobile app in North America and the United Kingdom. In Asia, we sell products online through our directly-operated digital commerce site, www.RalphLauren.cn, which launched in September 2018, as well as through various third-party digital partner commerce sites.

Our Ralph Lauren digital commerce sites offer our customers access to a broad array of Ralph Lauren, Polo, and Double RL apparel, footwear, accessories, watch and jewelry, fragrance, and home product assortments, and reinforce the luxury image of our brands. While investing in digital commerce operations remains a primary focus, it is an extension of our investment in the integrated omni-channel strategy used to operate our overall retail business, in which our digital commerce operations are interdependent with our physical stores.

Our Club Monaco digital commerce sites offer our domestic and Canadian customers access to our global assortment of Club Monaco apparel, footwear, and accessories product lines, as well as select online exclusives.

Our Wholesale Business

Our wholesale business sells our products globally to leading upscale and certain mid-tier department stores, specialty stores, and golf and pro shops, as well as to various third-party digital partners. We have continued to focus on elevating our brand by improving in-store product assortment and presentation, as well as full-price sell-throughs to consumers. As of the end of Fiscal 2020, our wholesale products were sold through over 11,000 doors worldwide, with the majority in specialty stores. Our products are also increasingly being sold through the digital commerce sites of many of our wholesale customers.

The primary product offerings sold through our wholesale channels of distribution include apparel, footwear, accessories, and home furnishings. Our luxury brands, including Ralph Lauren Collection and Ralph Lauren Purple Label, are distributed worldwide through a limited number of premier fashion retailers. In North America, our wholesale business is comprised primarily of sales to department stores, and to a lesser extent, specialty stores. In Europe, our wholesale business is comprised of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners. In Asia, our wholesale business is comprised primarily of sales to department stores, with related products distributed through shop-within-shops. We also distribute our wholesale products to certain licensed stores operated by our partners in Latin America, Asia, Europe, and the Middle East.

We sell the majority of our excess and out-of-season products through secondary distribution channels worldwide, including our retail factory stores.

Worldwide Wholesale Distribution Channels

The following table presents by segment the number of wholesale doors in our primary channels of distribution as of March 28, 2020:

	Doors
North America	5,735
Europe	4,928
Asia	500
Total	11,163

We have three key wholesale customers that generate significant sales volume. During Fiscal 2020, sales to our three largest wholesale customers accounted for approximately 18% of our total net revenues. Substantially all sales to our three largest wholesale customers related to our North America segment.

Our products are sold primarily by our own sales forces. Our wholesale business maintains its primary showrooms in New York City. In addition, we maintain regional showrooms in London, Madrid, Milan, Munich, Paris, and Stockholm.

Shop-within-Shops. As a critical element of our distribution to department stores, we and our licensing partners utilize shop-within-shops to enhance brand recognition, to permit more complete merchandising of our lines by the department stores, and to differentiate the presentation of our products.

The following table presents by segment the number of shop-within-shops in our primary channels of distribution as of March 28, 2020:

	Shop-within-Shops
North America	12,623
Europe	7,229
Asia	685
Total	20,537

The size of our shop-within-shops ranges from approximately 85 to 9,200 square feet. Shop-within-shop fixed assets primarily include items such as customized freestanding fixtures, wall cases and components, decorative items, and flooring. We normally share in the cost of building out these shop-within-shops with our wholesale customers.

Replenishment Program. Core products such as knit shirts, chino pants, oxford cloth shirts, select accessories, and home products can be ordered by our wholesale customers at any time through our replenishment program. We generally ship these products within two to five days of order receipt.

Our Licensing Business

Through licensing alliances, we combine our consumer insight, design, and marketing skills with the specific product or geographic competencies of our licensing partners to create and build new businesses. We generally seek out licensing partners who are leaders in their respective markets, contribute the majority of product development costs, provide the operational infrastructure required to support the business, and own the inventory. Our licensing business has been aggregated with other non-reportable segments.

Product Licensing

We grant our product licensees the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings. Each product licensing partner pays us royalties based upon its sales of our products, generally subject to a minimum royalty requirement for the right to use our trademarks and design services. In addition, our licensing partners may be required to allocate a portion of their revenues to advertising our products and sharing in the creative costs associated with these products. Larger allocations typically are required in connection with launches of new products or in new territories. Our license agreements generally have two to five-year terms and may grant the licensees conditional renewal options.

We work closely with all of our licensing partners to ensure that their products are developed, marketed, and distributed to reach the intended consumer and are presented consistently across product categories to convey the distinctive identity and lifestyle associated with our brands. Virtually all aspects of the design, production quality, packaging, merchandising, distribution, advertising, and promotion of Ralph Lauren products are subject to our prior approval and continuing oversight. We perform a broader range of services for most of our Ralph Lauren Home licensing partners than we do for our other licensing partners, including design, operating showrooms, marketing, and advertising.

The following table lists our largest licensing agreements as of March 28, 2020 for the product categories presented. Except as noted in the table, these product licenses cover North America only.

Category	Licensed Products	Licensing Partners
Men's Apparel	Underwear and Sleepwear	Hanesbrands, Inc. (includes Japan)
	Chaps, Lauren, and Ralph Tailored Clothing	Peerless Clothing International, Inc.
Women's Apparel	Outerwear	S. Rothschild & Co., Inc.
	Swimwear	Manhattan Beachwear, Inc. (includes Australia, Europe, New Zealand, and portions of South America)
Beauty Products	Fragrances, Cosmetics, Color, and Skin Care	L'Oreal S.A. (global)
Accessories	Eyewear	Luxottica Group S.p.A. (global)
Home	Bedding and Bath	Ichida Co., Ltd. (Japan only)
	Utility and Blankets	Ichida Co., Ltd. (Japan only) and Hollander Sleep Products LLC
	Fabric and Wallpaper	P. Kaufmann, Inc. (includes Australia, New Zealand, South Africa, and portions of South America and Asia)

International Licensing

Our international licensing partners acquire the right to sell, promote, market, and/or distribute various categories of our products in a given geographic area and source products from us, our product licensing partners, and independent sources. International licensees' rights may include the right to own and operate retail stores. As of March 28, 2020, our international licensing partners operated 80 Ralph Lauren stores, 31 Ralph Lauren concession shops, and 139 Club Monaco stores and shops.

Digital Ecosystem

Investing in our digital ecosystem remains a primary focus and is a key component of our integrated global omni-channel strategy that spans across owned and partnered channels, both physical and digital. Our digital ecosystem is comprised of directly-operated platforms, wholesale partner websites, third-party digital pure players, and social commerce.

Our directly-operated digital commerce sites represent our digital flagships, displaying the most elevated expression of our brands. The strategy for our digital flagships is to deliver distinct and immersive brand experiences, continuously enhance consumer experience, and develop digital content that drives deeper consumer engagement and conversion. With the ongoing launch of our localized sites, including in Ireland and Switzerland this year, we continue to expand the reach of our digital flagship experience. In connection with our long-term growth strategy, we are also working to broaden our omni-channel service offerings, such as buy online and pickup and return in store. In addition to our directly-operated digital commerce sites, we have also recently launched our Polo mobile app in the United Kingdom, our first mobile app launch outside of North America.

Our products are also sold through the digital commerce sites of many of our wholesale customers across the globe. With all partners in our ecosystem, we seek to showcase the brand consistently with our values. We collaborate with our key wholesale customers to deliver the right content to the right audience, and leverage consumer insights to develop a holistic, channel-agnostic view of our consumer.

We also sell our products online through various third-party digital pure-play sites to reach younger consumers and amplify our brand messages. On many of these sites, we have created digital shop-in-shop environments with a consistent brand experience, tailored product stories, and an assortment that is carefully curated by our merchants. We also partner closely with our pure-play

customers on marketing content and events, as well as optimizing search and other data analyses to drive higher traffic and conversion for our brands. We also continue to tap into the social commerce opportunity, such as our launch of Instagram shopping in Europe this year.

In connection with our digital commerce operations, we engage consumers through various digital and social media platforms, which are supported through our collaboration with influencers who have an authentic connection to our brand.

Seasonality of Business

Our business is typically affected by seasonal trends, with higher levels of retail sales in our second and third fiscal quarters and higher wholesale sales in our second and fourth fiscal quarters. These trends result primarily from the timing of key vacation travel, back-to-school, and holiday shopping periods impacting our retail business and timing of seasonal wholesale shipments. As a result of changes in our business, consumer spending patterns, and the macroeconomic environment, historical quarterly operating trends and working capital requirements may not be indicative of our future performance. In addition, fluctuations in sales, operating income, and cash flows in any fiscal quarter may be affected by other events affecting retail sales, such as changes in weather patterns.

Working capital requirements vary throughout the year. Working capital requirements typically increase during the first half of the fiscal year as inventory builds to support peak shipping/selling periods and, accordingly, typically decrease during the second half of the fiscal year as inventory is shipped/sold. Cash provided by operating activities is typically higher in the second half of the fiscal year due to reduced working capital requirements during that period.

Product Design

Our products reflect a timeless and innovative interpretation of American style with a strong international appeal. Our consistent emphasis on new and distinctive design has been an important contributor to the prominence, strength, and reputation of the Ralph Lauren brands.

Our Ralph Lauren products are designed by, and under the direction of, Mr. Ralph Lauren and our design staff. We form design teams around our brands and product categories to develop concepts, themes, and products for each brand and category. Through close collaboration with merchandising, sales, and production staff, these teams support all of our businesses in order to gain market information and other valuable input.

Marketing and Advertising

Our marketing and advertising programs communicate the themes and images of our brands and are integral to the success of our product offerings. The majority of our advertising program is created and executed by our in-house creative and advertising agency to ensure consistency of presentation, which is complemented by our marketing experts in each region who help to execute our international strategies.

We create distinctive image advertising for our brands, conveying the particular message of each one within the context of the overall Ralph Lauren aesthetic. Advertisements generally portray a lifestyle rather than a specific item and include a variety of products offered by us and, in some cases, our licensing partners. Our communication campaigns are increasingly being executed through digital and social media platforms to drive further engagement with the younger consumer, with a focus on influencers. With regard to influencers, we believe in fostering long-term relationships with those who have an authentic connection to our brand and influence the areas of culture that matter most to our audiences. We also continue to advertise through print and outdoor media, and, to a lesser extent, through television and cinema.

Our digital advertising programs focus on high impact and innovative digital media outlets, which allow us to convey our key brand messages and lifestyle positioning. We also develop digital editorial initiatives that allow for deeper education and engagement around the Ralph Lauren lifestyle, including the RL Magazine, RL Style Guide, and a wide array of video and social media content. We deploy these marketing and advertising initiatives through online, mobile, video, email, and social media. Our digital commerce sites present the Ralph Lauren lifestyle online, while offering a broad array of our apparel, footwear, accessories, and home product lines.

Additionally, we advertise in consumer and trade publications, and participate in cooperative advertising on a shared cost basis with some of our retail and licensing partners. We have outdoor advertising placements in key cities as well, focusing on impact and reach. We also provide point-of-sale fixtures and signage to our wholesale customers to enhance the presentation of our products at their retail locations. In addition, when our licensing partners are required to spend an amount equal to a percentage of their licensed product sales on advertising, in certain cases we coordinate the advertising placement on their behalf. We believe our investments in shop-within-shop environments and retail stores, including our global flagship locations, contribute to and enhance the themes of our brands to consumers.

We also conduct a variety of public relations activities. For example, we typically introduce each of the spring and fall menswear and womenswear collections at press presentations in major cities such as New York City and Milan. Such fashion events, in addition to celebrity red carpet dressing moments and events hosted in our stores and restaurants, including The *Polo Bar* in New York City, generate extensive domestic and international media and social coverage.

We continue to be the official outfitter for all on-court officials at both the Wimbledon and the U.S. Open tennis tournaments. Both tournaments provide worldwide exposure for our brand in a relevant lifestyle environment. We also continue to be the exclusive Official Parade Outfitter for the U.S. Olympic and Paralympic Teams, with the right to manufacture, distribute, advertise, promote, and sell products in the U.S. which replicate the Parade Outfits and associated leisure wear. Most recently, we dressed Team U.S.A. for the 2018 Olympic Winter Games in PyeongChang, South Korea, and will be dressing the team for the next Summer Olympic Games in Tokyo, Japan. As part of our involvement with Team U.S.A., we have established a partnership with athletes serving as brand ambassadors and as the faces of our advertising, marketing, and public relations campaigns. We are also the official apparel outfitter for the Professional Golfers' Association ("PGA") of America, the PGA Championship, and the U.S. Ryder Cup Team, as well as a partner of the American Junior Golf Association. We sponsor a roster of professional golfers, including Billy Horschel, Davis Love III, Doc Redman, Justin Thomas, Nick Watney, and Tom Watson.

We believe our partnerships with such prestigious global athletic events reinforce our brand's sporting heritage in a truly authentic way and serve to connect our Company and brands to our consumers through their individual areas of passion.

Sourcing, Production and Quality

We contract for the manufacture of our products and do not own or operate any production facilities. Over 500 different manufacturers worldwide produce our apparel, footwear, accessories, and home products, with no one manufacturer providing more than 4% of our total production during Fiscal 2020. We source both finished products and raw materials. Raw materials include fabric, buttons, and other trim. Finished products consist of manufactured and fully assembled products ready for shipment to our customers. In Fiscal 2020, approximately 98% of our products (by dollar value) were produced outside of the U.S., primarily in Asia, Europe, and Latin America, with approximately 25% of our products sourced from China. See "*Import Restrictions and Other Government Regulations*," Item 1A — "*Risk Factors — Economic conditions could have a negative impact on our major customers, suppliers, vendors, and lenders, which in turn could materially adversely affect our business*," and Item 1A — "*Risk Factors — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications*."

Most of our businesses must commit to the manufacturing of our garments before we sell finished goods, whether to wholly-owned retail stores or to wholesale customers. We also must commit to the purchase of fabric from mills well in advance of our sales. If we overestimate our primary customers' demand for a particular product or the need for a particular fabric or yarn, we primarily sell the excess products or garments made from such fabric or yarn in our factory stores or through other secondary distribution channels.

Suppliers operate under the close supervision of our global manufacturing division and buying agents headquartered in Asia, the Americas, the Middle East, and Europe. All products are produced according to our specifications and standards. Production and quality control staff in Asia, the Americas, the Middle East, and Europe monitor manufacturing at supplier facilities in order to correct problems prior to shipment of the final product. Procedures have been implemented under our vendor certification and compliance programs so that quality assurance is reviewed early in the production process, allowing merchandise to be received at the distribution facilities and shipped to customers with minimal interruption.

Competition

Competition is very strong in the segments of the fashion and consumer product industries in which we operate. We compete with numerous designers and manufacturers of apparel, footwear, accessories, fragrances, and home furnishing products, both domestic and international. We also face increasing competition from companies selling our product categories through the Internet. Some of our competitors may be significantly larger and have substantially greater resources than us. We compete primarily on the basis of fashion, quality, value, and service, which depend on our ability to:

- anticipate and respond to changing consumer demands and shopping preferences, including the increasing shift to digital brand engagement, social media communications, and online shopping;
- create and maintain favorable brand recognition, loyalty, and reputation for quality;
- develop and produce innovative, high-quality products that appeal to consumers of varying age groups;
- competitively price our products and create an acceptable value proposition for consumers;
- provide strong and effective marketing support;
- obtain additional points of distribution and sufficient retail floor space, and effectively present our products to consumers;
- attract consumer traffic to stores, shop-within-shops, and websites;
- source raw materials at cost-effective prices;
- anticipate and maintain proper inventory levels;
- ensure product availability and optimize supply chain and distribution efficiencies;
- maintain and grow market share;
- recruit and retain key employees; and
- protect our intellectual property.

See Item 1A — "Risk Factors — We face intense competition worldwide in the markets in which we operate."

Distribution

To facilitate global distribution, our products are shipped from manufacturers to a network of distribution centers around the world for inspection, sorting, packing, and delivery to our retail locations and digital commerce and wholesale customers. This network includes the following primary distribution facilities:

Facility Location	Geographic Region Served	Facility Ownership
N. Pendleton Street, High Point, North Carolina	U.S.	Owned
NC Highway 66, High Point, North Carolina	U.S.	Leased
Greensboro, North Carolina	U.S.	Leased
Chino Hills, California	U.S.	Third-party
Miami, Florida	U.S.	Third-party
Toronto, Ontario	Canada	Third-party
Parma, Italy	Europe and Latin America	Third-party
Yokohama, Japan	Japan	Third-party
Bugok, South Korea	South Korea	Leased
Tuen Mun, Hong Kong	China and Southeast Asia ^(a)	Third-party

^(a) Includes Australia, China, Hong Kong, India, Macau, Malaysia, New Zealand, the Philippines, Singapore, Taiwan, Thailand, and Vietnam.

All facilities are designed to allow for high-density cube storage and value-added services, and utilize unit and carton tracking technology to facilitate process control and inventory management. The distribution network is managed through globally integrated information technology systems.

Information Systems

Our information systems facilitate business processes, consumer experiences, and decision-making support across the Company and our extended ecosystem of manufacturers, vendors, business partners, and customers. Our system applications are connected to support the flow of information across functions, including:

- product design, sourcing, and production;
- comprehensive order processing, fulfillment, and distribution;
- retail store and digital commerce operations;
- marketing and advertising;
- financial accounting and management reporting; and
- human resources.

Our retail operation systems, including point-of-sale registers and merchandising, planning, and inventory management systems, support operational processes within our store network and link with our digital commerce processes to support omni-channel capabilities.

We are continually improving and upgrading our computer systems and software. During Fiscal 2020, we migrated our Asia operations to a new financial reporting information technology system, Microsoft AX Dynamics 365. In addition to this system implementation, during Fiscal 2020, we began reconfiguring the financial reporting information technology system used by our Europe operations, SAP, in order to utilize enhanced financial reporting functionality. We are also continually enhancing the consumer experience by adding new functionality on our digital commerce sites.

We have a longstanding information security risk program committed to regular risk management practices surrounding the protection of confidential data. This program includes various technical controls, including security monitoring, data leakage protection, network segmentation and access controls around the computer resources that house confidential or sensitive data. We have also implemented employee awareness training programs around phishing, malware, and other cyber risks. We continually evaluate the security environment surrounding the handling and control of our critical data, especially the private data we receive from our customers, employees and partners, and have instituted additional measures to help protect us from system intrusion or data breaches. Additionally, we have purchased network security and cyber liability insurance in order to provide a level of financial protection, should a data breach occur.

See Item 1A — *"Risk Factors — A data security or privacy breach could damage our reputation and our relationships with our customers or employees, expose us to litigation risk, and adversely affect our business"* and *"Risk Factors — Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively."*

Wholesale Credit Control

We manage our own credit function. We sell our merchandise principally to major department stores, specialty stores, and third-party digital partners, and extend credit based on an evaluation of the wholesale customer's financial capacity and condition, usually without requiring collateral. We monitor credit levels and the financial condition of our wholesale customers on a continuing basis to minimize credit risk. We do not factor or underwrite our accounts receivables, nor do we maintain credit insurance to manage the risk of bad debts. In North America, collection and deduction transactional activities are provided through a third-party service provider. See Item 1A — *"Risk Factors — A substantial portion of our revenue is derived from a limited number of large wholesale customers. Our business could be adversely affected as a result of consolidations, liquidations, restructurings, other ownership changes in the retail industry, and/or any financial instability of our large wholesale customers."*

Wholesale Backlog

We generally receive wholesale orders approximately three to five months prior to the time the products are delivered to customers, with the exception of orders received through our replenishment program, which ship within two to five days of order receipt. Our wholesale orders are generally subject to broad cancellation rights.

The following table presents our wholesale backlog by segment as of March 28, 2020 and March 30, 2019:

	March 28, 2020	March 30, 2019
	(billions)	
North America	\$ 0.6	\$ 0.6
Europe	0.5	0.4
Total	<u>\$ 1.1</u>	<u>\$ 1.0</u>

Approximately 45% of our wholesale backlog was subsequently canceled during the first quarter of Fiscal 2021 driven by adverse impacts associated with COVID-19 business disruptions, which include temporary department and specialty store closures worldwide, as well as declines in retail traffic, tourism, and consumer spending on discretionary items. The COVID-19 pandemic remains highly volatile and continues to evolve on a daily basis. Accordingly, we cannot predict at this time how much of our remaining wholesale backlog will be fulfilled within the next 12 months.

The size of our order backlog depends upon a number of factors, including the timing of the market weeks for our particular lines during which a significant percentage of our orders are received and the timing of shipments, which varies from year-to-year with consideration for holidays, consumer trends, concept plans, and the replenishment program's usage. As a consequence, a comparison of the size of our order backlog from period-to-period may not be meaningful, nor may it be indicative of eventual shipments.

Trademarks

We own the RALPH LAUREN, POLO, POLO BY RALPH LAUREN DESIGN, and the famous polo player astride a horse trademarks in the U.S. and approximately 120 countries worldwide. Other trademarks that we own include:

- PURPLE LABEL;
- DOUBLE RL;
- RRL;
- RLX;
- LAUREN RALPH LAUREN;
- PINK PONY;
- LAUREN;
- RALPH;
- CHAPS;
- CLUB MONACO; and
- Various other trademarks, including those pertaining to fragrances and cosmetics.

Mr. Ralph Lauren has the royalty-free right to use as trademarks RALPH LAUREN, DOUBLE RL, and RRL in perpetuity in connection with, among other things, beef and living animals. The trademarks DOUBLE RL and RRL are currently used by the Double RL Company, an entity wholly owned by Mr. R. Lauren. In addition, Mr. R. Lauren has the right to engage in personal projects involving film or theatrical productions (not including or relating to our business) through RRL Productions, Inc., a company wholly owned by Mr. R. Lauren. Any activity by these companies has no impact on us.

Our trademarks are the subject of registrations and pending applications throughout the world for use on a variety of items of apparel, apparel-related products, home furnishings, restaurant and café services, online services and online publications, and beauty products, as well as in connection with retail services, and we continue to expand our worldwide usage and registration of related trademarks. In general, trademarks remain valid and enforceable as long as the marks are used in connection with the related products and services and the required registration renewals are filed. We regard the license to use the trademarks and our other proprietary rights in and to the trademarks as extremely valuable assets in marketing our products and, on a worldwide basis, vigorously seek to protect them against infringement. As a result of the appeal of our trademarks, our products have been the object of counterfeiting. While we have a broad enforcement program which has been generally effective in protecting our intellectual property rights and limiting the sale of counterfeit products in the U.S. and in most major markets abroad, we face greater challenges with respect to enforcing our rights against trademark infringement in certain parts of Asia.

In markets outside of the U.S., our rights to some or all of our trademarks may not be clearly established. In the course of our international expansion, we have experienced conflicts with various third parties who have acquired ownership rights in certain trademarks, including POLO and/or a representation of a Polo Player Design, which impede our use and registration of our principal trademarks. While such conflicts are common and may arise again from time to time as we continue our international expansion, we have, in general, successfully resolved such conflicts in the past through both legal action and negotiated settlements with third-party owners of the conflicting marks (see Item 1A — "*Risk Factors — Our trademarks and other intellectual property rights may not be adequately protected outside the U.S.*" and Item 3 — "*Legal Proceedings*" for further discussion). Although we have not suffered any material restraints or restrictions on doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce trademarks to new markets.

Import Restrictions and Other Government Regulations

Virtually all of our merchandise imported into the Americas, Europe, Asia, Australia, and New Zealand is subject to duties. In addition, most of the countries to which we ship could impose safeguard quotas and duties to protect their local industries from import surges that threaten to create market disruption. The U.S. and other countries may also unilaterally impose additional duties in response to a particular product being imported (from China or other countries) at unfairly traded prices in such increased quantities that would cause (or threaten) injury to the relevant domestic industry (generally known as "anti-dumping" actions). If dumping is suspected in the U.S., the U.S. government may self-initiate a dumping case on behalf of the U.S. textile industry which could significantly affect our costs. Furthermore, additional duties, generally known as countervailing duties, can also be imposed by the U.S. government to offset subsidies provided by a foreign government to foreign manufacturers if the importation of such subsidized merchandise injures or threatens to injure a U.S. industry.

In addition, each of the countries in which our products are sold has laws and regulations covering imports. Because the U.S. and the other countries in which our products are manufactured and sold may, from time to time, impose new duties, tariffs, surcharges, or other import controls or restrictions, or adjust presently prevailing duty or tariff rates or levels, we maintain a program of intensive monitoring of import restrictions and opportunities. We seek to minimize our potential exposure to import-related risks through, among other measures, adjustments in product design and fabrication, shifts of production among countries and manufacturers, and through geographical diversification of our sources of supply.

As almost all of our products are manufactured by foreign suppliers, the enactment of new legislation or the administration of current international trade regulations or executive action affecting textile agreements, or changes in sourcing patterns could adversely affect our operations. See Item 1A — "*Risk Factors — Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks*" and "*Risk Factors — Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications.*"

We are also subject to other international trade agreements, such as the North American Free Trade Agreement, now known as the U.S.-Mexico-Canada Agreement, the Central American Free Trade Agreement, the U.S.-Peru Free Trade Agreement, the U.S.-Jordan Free Trade Agreement, the U.S.-Korea Free Trade Agreement and other special trade preference programs. A portion of our imported products are eligible for certain of these duty-advantaged programs.

Apparel and other products sold by us are under the jurisdiction of multiple governmental agencies, including, in the U.S., the Federal Trade Commission, the U.S. Fish and Wildlife Service, the Environmental Protection Agency, and the Consumer Products Safety Commission. Our products are also subject to regulation in the U.S. and other countries, including the U.S. Consumer Product Safety Improvement Act, which relate principally to product labeling, licensing requirements, and consumer product safety requirements and regulatory testing, particularly with respect to products used by children. Any failure to comply with such requirements could result in significant penalties and require us to recall products, which could have a material adverse effect on our business or operating results. We believe that we are in substantial compliance with these regulations, as well as

applicable federal, state, local, and foreign rules and regulations governing the discharge of materials hazardous to the environment. We do not anticipate any significant capital expenditures for environmental control matters either in the next fiscal year or in the near future. Our licensed products, licensing partners, buying/sourcing agents, and the vendors and factories with which we contract for the manufacture and distribution of our products are also subject to regulation. Our agreements require our licensing partners, buying/sourcing agents, vendors, and factories to operate in compliance with all applicable laws and regulations, and we are not aware of any violations which could reasonably be expected to have a material adverse effect on our business or operating results.

We are also subject to disclosure and reporting requirements, established under existing or new federal or state laws, such as the requirements to identify the origin and existence of certain "conflict minerals" under the Dodd-Frank Wall Street Reform and Consumer Protection Act, and disclosures of specific actions to eradicate abusive labor practices in our supply chain under the California Transparency in Supply Chains Act. While we require our suppliers to operate in compliance with all applicable laws and our operating guidelines which promote ethical and socially responsible business practices, any violation of labor, environmental, health, and safety or other laws, or any divergence by an independent supplier's labor practices from generally accepted industry standards, could damage our reputation, disrupt our sourcing capabilities, and increase the cost of doing business, adversely affecting our results of operations. See Item 1A — "Risk Factors — Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices."

Although we have not suffered any material restriction from doing business in desirable markets in the past, we cannot assure that significant impediments will not arise in the future as we expand product offerings and introduce additional trademarks to new markets.

Employees

As of March 28, 2020, we had approximately 24,900 employees, comprised of approximately 13,700 full-time and approximately 11,200 part-time employees. Approximately 13,800 of our employees are located in the U.S. and approximately 11,100 are located in foreign countries. Approximately 15 of our U.S. production employees in the womenswear business are members of Workers United (which was previously known as UNITE HERE) under an industry association collective bargaining agreement, which our womenswear subsidiary has adopted. We consider our relations with both our union and non-union employees to be good.

Information About Our Executive Officers

The following are our current executive officers and their principal recent business experience:

Ralph Lauren	Age 80	Mr. Ralph Lauren founded our business in 1967 and, for five decades, has cultivated the iconography of America into a global lifestyle brand. He has been our Executive Chairman and Chief Creative Officer since November 2015, and a director of the Company since prior to our initial public offering in 1997. He had previously been our Chairman and Chief Executive Officer since prior to our initial public offering in 1997 until November 2015. In addition, he was previously a member of our Advisory Board or the Board of Directors of our predecessors since their organization.
Patrice Louvet	Age 55	Mr. Louvet has served as our President and Chief Executive Officer, and a director of the Company since July 2017. Prior to joining the Company, he served as the Group President, Global Beauty, of Procter & Gamble Co. ("P&G") since February 2015. Prior to that role, Mr. Louvet held successively senior leadership positions at P&G, including the roles of Group President, Global Grooming (Gillette), and President of P&G's Global Prestige Business. Before he joined P&G, he served as a Naval Officer, Admiral Aide de Camp in the French Navy from 1987 to 1989. Mr. Louvet graduated from École Supérieure de Commerce de Paris and received his M.B.A. from the University of Illinois. He has served as a member of the board of directors of Bacardi Limited since July 2012.

Jane Hamilton Nielsen	Age 56	Ms. Nielsen has been our Chief Financial Officer since September 2016 and our Chief Operating Officer since April 2019. She served as Chief Financial Officer of Coach, Inc. from September 2011 to August 2016. From 2009 to 2011, she was Senior Vice President and Chief Financial Officer of PepsiCo Beverages Americas and the Global Nutrition Group, divisions of PepsiCo, Inc., with responsibility for all financial management including financial reporting, performance management, capital allocation, and strategic planning. Prior to that, Ms. Nielsen held various senior roles in finance at PepsiCo, Inc. and Pepsi Bottling Group starting in 1996. She also served on the board of directors of Pinnacle Foods Inc. Ms. Nielsen received her M.B.A. from the Harvard Business School and B.A. from Smith College.
Andrew Howard Smith	Age 49	Mr. Smith has served as our Chief Commercial Officer since April 2019. He has been with our Company for over 16 years, having worked in various capacities based in the U.S., Europe, and Asia. Prior to his current role, he was responsible for our International Division based in Geneva, Switzerland, with general management responsibility for all markets outside of North America. Prior to this, he led our businesses across Asia as Group President of Asia Pacific, and before that he was responsible for our Japan market as President & Representative Director of Japan. His roles before this include SVP Global Supply Chain, based in New York, where he worked around the world on operational acquisition integrations through our license buy-back phase, and various roles based in Europe in Supply Chain, Sales Order Management, and Merchandise Allocation. He has been instrumental in turning our Asia businesses to growth, and driving brand elevation and accelerating profitable growth across all of our International markets. Prior to joining our Company, Mr. Smith served as Head of Supply Chain for Selfridges & Co., the UK based department store group. Mr. Smith is a graduate of City, University of London.
David Lauren	Age 48	Mr. David Lauren is our Chief Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board. He has served as our Chief Innovation Officer and Vice Chairman of the Board since October 2016. From November 2010 to October 2016, he served as our Executive Vice President of Global Advertising, Marketing and Communications. Prior to that, he served in numerous leadership roles at the Company with responsibility for advertising, marketing, and communications. He has been a director of the Company since August 2013. Mr. D. Lauren oversees the Company's innovation processes and capabilities to drive its brand strength and financial performance across all channels. He has been instrumental in growing the Company's global digital commerce business and pioneering our technology initiatives. He serves on the board of trustees of the Ralph Lauren Center for Cancer Care and Prevention and the board of directors of The National Museum of American History. Mr. D. Lauren is also the Head of the Ralph Lauren Corporate Foundation (formerly known as the Polo Ralph Lauren Foundation). Before joining the Company in 2000, he was Editor-In-Chief and President of Swing, a general interest publication for Generation X. Mr. D. Lauren is the son of Mr. R. Lauren.

Item 1A. Risk Factors

There are risks associated with an investment in our securities. The following risk factors should be read carefully in connection with evaluating our business and the forward-looking statements contained in this Annual Report on Form 10-K. Any of the following risk factors could materially adversely affect our business, our prospects, our results of operations, our financial condition, our liquidity, the trading price of our securities, and/or the actual outcome of matters as to which forward-looking statements are made in this report. Additional risks and uncertainties not currently known to us or that we currently view as immaterial may also materially adversely affect our business, results of operations, and financial condition in future periods or if circumstances change.

The loss of the services of Mr. Ralph Lauren, members of our executive management team, or other key personnel could have a material adverse effect on our business.

Mr. Ralph Lauren's leadership in the design and marketing areas of our business has been a critical element of our success since the inception of our Company. Mr. R. Lauren is instrumental to, and closely identified with, our brand that bears his name. Our ability to maintain our brand image and leverage the goodwill associated with Mr. R. Lauren's name may be damaged if we were to lose his services. The death or disability of Mr. R. Lauren or other extended or permanent loss of his services, or any negative market or industry perception with respect to him or arising from his loss, could have a material adverse effect on our business, results of operations, and financial condition.

We also depend on the service and management experience of other key executive officers and other members of senior management who have substantial experience and expertise in our industry and our business and have made significant contributions to our growth and success. Competition in our industry to attract and retain these employees is intense and is influenced by our reputation, our ability to offer competitive compensation and benefits, and economic conditions, among other factors. The loss of the services of any of our key executive officers or other members of senior management, or one or more of our other key personnel, or the concurrent loss of several of these individuals or any negative public perception with respect to these individuals, could also have a material adverse effect on our business, results of operations, and financial condition.

We are not protected by a material amount of key-man or similar life insurance covering our executive officers, including Mr. R. Lauren, or other members of senior management. We have entered into employment agreements with certain of our executive officers, but competition for experienced executives in our industry is intense and the non-compete period with respect to certain of our executive officers could, in some circumstances in the event of their termination of employment with our Company, end prior to the employment term set forth in their employment agreements.

Infectious disease outbreaks, such as the recent COVID-19 pandemic, could have a material adverse effect on our business.

Our business could be adversely affected by infectious disease outbreaks, such as the recent novel strain of coronavirus commonly referred to as COVID-19. COVID-19 has spread rapidly across the globe in recent months, including throughout all major geographies in which we operate (North America, Europe, and Asia), resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Governments worldwide have imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus.

In connection with the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors, as described in Item 1 — "*Business — Recent Developments.*" The COVID-19 pandemic remains highly volatile and continues to evolve on a daily basis. Accordingly, we cannot predict for how long and to what extent this crisis will impact our business operations or the global economy as a whole. Potential impacts to our business include, but are not limited to, the following:

- our ability to successfully execute our long-term growth strategy during these uncertain times;
- temporary closures of our stores, distribution centers, and corporate facilities for unknown periods of time, as well as those of our wholesale customers and licensing partners;
- potential declines in the level of consumer purchases of discretionary items and luxury retail products, including our products, caused by lower disposal income levels, travel restrictions, or other factors beyond our control;

- the potential build-up of excess inventory as a result of store closures and/or lower consumer demand, including those resulting from potential changes in consumer behavior and/or shopping preferences, such as their willingness to congregate in shopping centers or other populated locations;
- supply chain disruptions resulting from closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
- our ability to access capital markets and maintain compliance with covenants associated with our existing debt instruments, as well as the ability of our key customers, suppliers, and vendors to do the same in regard to their own obligations;
- the potential loss of one or more of our significant wholesale customers, or the loss of a large number of smaller wholesale customers, if they are not able to withstand prolonged periods of adverse economic conditions, and our ability to collect outstanding receivables;
- our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002; and
- diversion of management attention and resources from ongoing business activities and/or a decrease in employee morale.

Additional discussion related to the various risks and uncertainties described above is included elsewhere within this "Risk Factors" section of our Form 10-K.

Economic, political, and other conditions may adversely affect the level of consumer purchases of discretionary items and luxury retail products, including our products.

The industries in which we operate are cyclical. Many economic and other factors outside of our control affect the level of consumer spending in the apparel, footwear, accessory, and home product industries, including, among others:

- man-made or natural disasters, including pandemic diseases such as COVID-19;
- consumer perceptions of personal well-being and safety;
- consumer perceptions of current and future economic conditions;
- employment levels and wage rates;
- stock market performance;
- inflation;
- interest rates;
- foreign currency exchange rates;
- the housing market;
- consumer debt levels;
- the availability of consumer credit;
- commodity prices, including fuel and energy costs;
- taxation;
- general domestic and international political conditions;
- the threat, outbreak, or escalation of terrorism, military conflicts, or other hostilities; and
- weather conditions.

Consumer purchases of discretionary items and luxury retail products, including our products, tend to decline during recessionary periods and at other times when disposable income is lower. Unfavorable economic conditions and other factors, such as disease pandemics and other health-related concerns, political unrest, war, and acts of terrorism, may also reduce consumers' willingness and ability to travel to major cities and vacation destinations in which our stores and shop-within-shops are located.

Further, consumers may prefer to spend more of their discretionary income on "experiences," such as dining and entertainment, over consumer goods. A downturn or an uncertain outlook in the economies in which we, or our wholesale customers and licensing partners, sell our products may materially adversely affect our business, results of operations, and financial condition. See Item 7 — *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Global Economic Conditions and Industry Trends"* for further discussion.

Our profitability may decline if we are unable to effectively manage inventory or as a result of increasing pressure on margins.

We have implemented key strategic initiatives designed to optimize our inventory levels and improve the efficiency and responsiveness of our supply chain. Although we have shortened lead times for the design, sourcing, and production of certain of our product lines, we expect to continue to place orders with our vendors for the majority of products in advance of the related selling season. As a result, we are vulnerable to changes in consumer preferences and demand and pricing shifts. Our failure to continue to shorten lead times or to correctly anticipate consumer preferences and demand could result in the build-up of excess inventory. Other factors beyond our control could also result in the build-up of excess inventory, including unforeseen adverse economic conditions or business disruptions, such as those caused by the COVID-19 pandemic. Excess inventory levels could result in the utilization of less-preferred distribution channels, markdowns, promotional sales, destruction, or donations to dispose of such excess or slow-moving inventory, which may negatively impact our overall profitability and/or impair the image of our brands. Conversely, if we underestimate consumer demand for our products or if manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages, which may negatively impact customer relationships, diminish brand loyalty, and result in lost sales. Any of these outcomes could have a material adverse effect on our business, results of operations, and financial condition.

Additionally, our industry is subject to significant pricing pressure caused by many factors, including intense competition and a highly promotional retail environment, consolidation in the retail industry, pressure from retailers to reduce the costs of products, and changes in consumer spending patterns. Although we continue to limit our promotional activity in connection with our quality of sales initiatives, these factors may cause us to reduce our sales prices to retailers and consumers, which could cause our gross margin to decline if we are unable to appropriately manage inventory levels and/or otherwise offset price reductions with comparable reductions in our costs. If our sales prices decline and we fail to sufficiently reduce our product costs or operating expenses, our profitability will decline. This could have a material adverse effect on our business, results of operations, and financial condition. In addition, changes in our customer, channel, and geographic sales mix could have a negative impact on our profitability.

A substantial portion of our revenue is derived from a limited number of large wholesale customers. Our business could be adversely affected as a result of consolidations, liquidations, restructurings, other ownership changes in the retail industry, and/or any financial instability of our large wholesale customers.

Several of our department store customers, including some under common ownership, account for a significant portion of our wholesale net sales. A substantial portion of sales of our licensed products by our domestic licensing partners are also made to our largest department store customers. During Fiscal 2020, sales to our three largest wholesale customers, accounted for approximately 18% of total net revenues for Fiscal 2020, and constituted approximately 32% of our total gross trade accounts receivable outstanding as of March 28, 2020. Substantially all sales to our three largest wholesale customers related to our North America segment.

We typically do not enter into long-term agreements with our customers. Instead, we enter into a number of purchase order commitments with our customers for each of our product lines every season. A decision by the controlling owner of a group of stores or any other significant customer, whether motivated by economic conditions, financial difficulties, competitive conditions, or otherwise, to decrease or eliminate the amount of merchandise purchased from us or our licensing partners or to change their manner of doing business with us or our licensing partners or their new strategic and operational initiatives, including their continued focus on further development of their "private label" initiatives, could have a material adverse effect on our business, results of operations, and financial condition.

Additionally, as a result of the COVID-19 pandemic, our wholesale customers have experienced significant business disruptions, including reduced traffic and temporary store closures. There can be no assurance that our wholesale customers have adequate financial resources and/or access to additional capital to withstand prolonged periods of such adverse economic conditions. The loss of one or more significant wholesale customers, or the loss of a large number of smaller wholesale customers, could have a material adverse effect on our business, results of operations, and financial condition.

Further, prior to the COVID-19 pandemic, certain of our large wholesale customers, particularly those located in the U.S., have been highly promotional and have aggressively marked down their merchandise, including our products. The continuation of such promotional activity could negatively impact our brand image and/or lead to requests from those customers for increased markdown allowances at the end of the season, which could have a material adverse effect on our business, results of operations, and financial condition. In response and in connection with our growth plan, we strategically reduce shipments to certain of our customers when deemed appropriate.

The department store sector has also experienced numerous consolidations, restructurings, reorganizations, and other ownership changes in recent years, which could potentially increase in frequency in the near-term given the COVID-19 pandemic. Any such actions could result in a reduction in the number of stores that carry our products, and the stores that remain open may purchase fewer of our products and/or reduce the retail floor space designated to our brands. There can be no assurance that consolidations, restructurings, reorganizations, or other ownership changes in the department store sector will not have a material adverse effect on our business, results of operations, and financial condition.

We sell our wholesale merchandise primarily to major department stores, specialty stores, and third-party digital partners across North America, Europe, Asia, and Australia, and extend credit based on an evaluation of each wholesale customer's financial condition, usually without requiring collateral. However, the financial difficulties of a wholesale customer, including those resulting from the COVID-19 pandemic, could cause us to limit or eliminate our business with that customer. We may also assume more credit risk relating to that customer's receivables. Our inability to collect on our trade accounts receivable from any one of these customers could have a material adverse effect on our business, results of operations, and financial condition. See Item 1 — "*Business — Wholesale Credit Control.*"

Economic conditions could have a negative impact on our major customers, suppliers, vendors, and lenders, which in turn could materially adversely affect our business.

Although we believe that our existing cash and investments, cash provided by operations, and available borrowing capacity under our credit facilities and commercial paper borrowing program will provide us with sufficient liquidity, the impact of economic conditions on our major customers, suppliers, vendors, and lenders, including those resulting from the COVID-19 pandemic, and their ability to access global capital markets cannot be predicted. The inability of major manufacturers to ship our products could impair our ability to meet the delivery date requirements of our customers. Deterioration in global financial or capital markets could affect our ability to access sources of liquidity to provide for our future cash needs, increase the cost of any future financing, or cause our lenders to be unable to meet their funding commitments under our credit facilities. A disruption in the ability of our significant customers to access liquidity could cause serious disruptions or an overall deterioration of their businesses which could lead to a significant reduction in their future orders of our products and the inability or failure on their part to meet their payment obligations to us, any of which could have a material adverse effect on our business, results of operations, and financial condition.

We cannot assure the successful implementation of our growth strategy.

We have developed a long-term growth strategy with the objective of delivering sustainable, profitable growth and long-term value creation for shareholders, as described in Item 1 — "*Business — Objectives and Opportunities.*" Our ability to successfully execute our growth strategy is subject to various risks and uncertainties, as described within this "Risk Factors" section of our Form 10-K.

Although we believe that our growth strategy will lead to long-term growth in revenue and profitability, there can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits, if at all. Our failure to realize the anticipated benefits, which may be due to our inability to execute the various elements of our growth strategy, changes in consumer preferences, competition, economic conditions, and other risks described herein, such as those related to the COVID-19 pandemic, could have a material adverse effect on our business, results of operations, and financial condition. Such a failure could also result in the implementation of additional restructuring-related activities, which may be dilutive to our earnings in the short term.

Achievement of our growth strategy may require investment in new capabilities, distribution channels, and technologies. These investments may result in short-term costs without accompanying current revenues and, therefore, may be dilutive to our earnings in the short term. There can be no assurance regarding the timing of or extent to which we will realize the anticipated benefits of these investments and other costs, if at all.

We may not be successful in the expansion of our multi-channel distribution network or accelerating growth in certain product categories.

Implementation of our growth strategy involves the continuation and expansion of our multi-channel distribution network, including within international markets such as China, which is subject to many factors, including, but not limited to, our ability to:

- identify new or underpenetrated markets where our products and brand will be accepted by consumers;
- attract customers, particularly in new markets;
- identify desirable freestanding and department store locations, the availability of which may be out of our control;
- negotiate acceptable lease terms, including desired tenant improvement allowances;
- efficiently and cost effectively build-out stores and shop-within-shops;
- source sufficient inventory levels to meet the needs of the new stores and shop-within-shops;
- hire, train, and retain competent store personnel; and
- integrate new stores and shop-within-shops into our existing systems and operations.

Any of these challenges could delay or otherwise prevent us from successfully executing our distribution expansion strategy. There can be no assurance that our new stores and shop-within-shops will be successful and profitable or if the capital costs associated with the build-out of such new locations will be recovered. Further, entry into new markets may bring us into competition with new or existing competitors that have a more established market presence than us or other competitive advantages. Other risks related to our international expansion plans include general economic conditions in specific countries or markets, changes in diplomatic and trade relationships and any resulting anti-American sentiment, political instability, and foreign government regulation, among other risks described herein. If our expansion plans are unsuccessful or do not deliver an appropriate return on our investments, our business, results of operations, and financial condition could be adversely affected.

The success of our business also depends on our ability to continue to maintain, enhance, and expand our digital footprint and capabilities. Consumers are increasingly shopping online using computers, smartphones, tablets, and other devices. Any failure on our part, or on the part of our third-party digital partners, to provide attractive, reliable, secure, and user-friendly digital commerce platforms, including mobile apps, could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales. In addition, as we continue to expand and increase the global presence of our digital commerce business, sales from our brick and mortar stores and wholesale channels of distribution in areas where digital commerce sites are introduced may decline due to changes in consumer shopping habits and cannibalization.

Our growth strategy also includes accelerating growth in certain high-value, underdeveloped product categories, comprised of denim, wear to work, outerwear, footwear, and accessories. We compete with other retailers in these product categories, some of which may be significantly larger than us and more established in these product categories, and competition is intense, as described within other risk factors herein. There can be no assurance that our targeted expansion in these product categories will be successful.

The success of our business depends on our ability to respond to constantly changing fashion and retail trends and consumer preferences in a timely manner, develop products that resonate with our existing customers and attract new customers, and provide a seamless shopping experience to our customers.

The industries in which we operate have historically been subject to rapidly changing fashion trends and consumer preferences. Our success depends in large part on our ability to originate and define fashion product and home product trends, as well as to anticipate, gauge, and react to changing consumer preferences in a timely manner. Our products must appeal to a broad range of consumers worldwide whose preferences cannot be predicted with certainty and are subject to rapid change, influenced by fashion trends, current economic conditions, and weather conditions, among other factors. This issue is further compounded by the increasing use of digital and social media by consumers and the speed by which information and opinions are shared across the globe. We cannot assure that we will be able to continue to develop appealing styles or successfully meet constantly changing consumer preferences in the future. In addition, we cannot assure that any new products or brands that we introduce will be successfully received by consumers. Any failure on our part to anticipate, identify, and respond effectively to changing consumer preferences and fashion trends could adversely affect retail and consumer acceptance of our products and leave us with a substantial amount of unsold inventory or missed opportunities. Conversely, if we underestimate consumer demand for our products or if

manufacturers fail to supply quality products in a timely manner, we may experience inventory shortages. Any of these outcomes could have a material adverse effect on our business, results of operations, and financial condition. For a discussion of risks related to our inventory management, see *"Our profitability may decline if we are unable to effectively manage inventory or as a result of increasing pressure on margins."*

Our marketing and advertising programs are integral to the success of our product offerings and on our ability to attract new customers and retain existing customers. Our communication campaigns are increasingly being executed through digital and social media platforms to drive further engagement with the younger consumer, with a focus on influencers. However, we cannot assure that our marketing and advertising programs will be successful or appeal to consumers.

The success of our business also depends on our ability to continue to develop and maintain a reliable omni-channel experience for our customers. Our business has evolved from an in-store experience to a shopping experience through multiple technologies, including computers, smartphones, tablets, and other devices, as our customers have become increasingly technologically savvy. We are increasingly using digital and social media platforms to interact with customers and enhance their shopping experience. If we are unable to develop and continuously improve our customer-facing technologies, we may not be able to provide a convenient and consistent experience to our customers regardless of the sales channel. This could negatively affect our ability to compete with other retailers and result in diminished loyalty to our brands, which could adversely impact our business, results of operations, and financial condition.

We have also implemented, and expect to continue to implement, new store design concepts as part of our growth strategy. There can be no assurance that any of our store designs will resonate with customers or otherwise achieve the desired sales and profitability measures necessary to recover our initial capital investments. If customers are not receptive to the design layout or visual merchandising of our stores, our business, results of operations, and financial condition could be adversely affected. In addition, the failure of our store designs to achieve acceptable results could lead to our decision to close a store prior to the lease expiration date. For additional discussion of risks related to the early termination of our leases, see *"Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases."*

The success of our business depends on our ability to retain the value and reputation of our brands.

Our success depends on the value and reputation of our brands and our ability to consistently anticipate, identify, and respond to customers' demands, preferences, and fashion trends in the design, pricing, and production of our products, including the preference for certain products to be manufactured in the U.S. As the Ralph Lauren name is integral to our business, any negative publicity regarding Mr. R. Lauren or our Company, especially through social media which accelerates and increases the potential scope of negative publicity, could negatively impact the image of our brands with our customers and result in diminished loyalty to our brands, even if the subject of such publicity is unverified or inaccurate. There is also increased focus from consumers, employees, investors, and other stakeholders concerning corporate citizenship and sustainability matters. Although we have established certain long-term initiatives and goals regarding our impact on the environment and society as a whole, there can be no assurance that our various stakeholders will agree with our initiatives or if we will be successful in achieving our goals. Our failure to comply with ethical, social, product safety, labor, health, environmental or other standards and regulations could damage the reputation of our brands and lead to adverse consumer actions and/or investment decisions by investors, as well as expose us to government enforcement action and/or private litigation. Even if we react appropriately to negative publicity, our customers' perception of our brand image and our reputation could be negatively impacted. Any failure on our part to retain the value and reputation of brands could adversely impact our business, results of operations, and financial condition.

We face intense competition worldwide in the markets in which we operate.

We face increasing competition from companies selling apparel, footwear, accessories, home, and other of our product categories through the Internet. Although we sell our products through the Internet, increased competition and promotional activity in the worldwide apparel, footwear, accessory, and home product industries from Internet-based competitors could reduce our sales, prices, and margins and adversely affect our business, results of operations, and financial condition. We also face intense competition from other domestic and foreign fashion-oriented apparel, footwear, accessory, and casual apparel producers that sell products through brick and mortar stores and wholesale and licensing channels. We compete with these companies primarily on the basis of:

- anticipating and responding in a timely fashion to changing consumer demands and shopping preferences, including the increasing shift to digital brand engagement, social media communications, and online shopping;
- creating and maintaining favorable brand recognition, loyalty, and a reputation for quality;

- developing and producing innovative, high-quality products in sizes, colors, and styles that appeal to consumers of varying age groups;
- competitively pricing our products and creating an acceptable value proposition for consumers;
- providing strong and effective marketing support;
- obtaining sufficient retail floor space and effective presentation of our products at stores and shop-within-shops;
- attracting consumer traffic to stores, shop-within-shops, and websites;
- sourcing raw materials at cost-effective prices;
- anticipating and maintaining proper inventory levels;
- ensuring product availability and optimizing supply chain and distribution efficiencies with third-party manufacturers and retailers;
- maintaining and growing market share;
- recruiting and retaining key employees;
- protecting our intellectual property; and
- the ability to withstand prolonged periods of adverse economic conditions or business disruptions.

Some of our competitors may be significantly larger and more diversified and may have greater financial, marketing, and distribution resources, more desirable store locations, and/or greater digital commerce presence than us, among other competitive advantages. Such competitive advantages may enable them to better withstand unfavorable economic conditions, compete more effectively on the basis of price and production, and/or more quickly respond to rapidly changing fashion trends and consumer preferences than us. In addition, technological advances and the retail industry's low barriers to entry allow for the introduction of new competitors and products at a rapid pace.

Any increased competition, or our failure to adequately address any of these competitive factors, could result in reduced market share or sales, which could adversely affect our business, results of operations, and financial condition.

We have a substantial amount of indebtedness, which could restrict our ability to engage in additional capital-related transactions in the future.

As of March 28, 2020, our consolidated indebtedness was approximately \$1.171 billion, comprised of our outstanding borrowings under our Global Credit Facility and Senior Notes. Additionally, in accordance with the terms of the original agreement, we have the ability to expand our borrowing availability under the Global Credit Facility from \$500 million to \$1 billion through the full term of the facility, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. Further, in May 2020, we entered into a new credit facility with the same lenders that are parties to the Global Credit Facility, which provides for an additional \$500 million senior unsecured revolving line of credit that matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements.

We rely on our operating cash flows to repay our outstanding borrowings, as well as to fund any working capital needs, capital expenditures, dividend payments, share repurchases, and other general corporate purposes. Prolonged periods of adverse economic conditions or business disruptions in any of our key regions, or a combination thereof, such as our recent store closures in North America, Europe, and Asia due to COVID-19, could impede our ability to pay our obligations as they become due or return value to our shareholders, as well as delay previously planned expenditures related to our operations.

In addition, certain of our debt instruments contain a number of affirmative and negative covenants. On May 26, 2020, we entered into an amendment to our Global Credit Facility that relaxed certain financial covenants while providing additional restrictions under our negative covenants for a specified period of time as further described in Note 11 to the accompanying consolidated financial statements. Our failure to comply with such covenants, or otherwise secure temporary waivers of non-compliance, could result in our lenders demanding all amounts outstanding to be immediately repaid. Credit rating agencies also periodically review our capital structure and our ability to generate earnings. A prolonged period of deteriorated financial performance or our inability to comply with debt covenants could make future financing more difficult to secure and/or expensive.

Moreover, our Global Credit Facility contains representations and warranties, including that there has been no material adverse change in the business, operations, property or condition (financial or otherwise) of the Company and its subsidiaries, taken as a whole, since March 2019. It is a condition to making each borrowing and to the issuance, increase, renewal or extension of each letter of credit that our representations be true at the time of the event in question. The recent amendment to the Global Credit Facility provides that through March 31, 2021, the impact of the COVID-19 pandemic as disclosed to the lenders in May 2020 or reasonably foreseeable based on the disclosure to the lenders will be disregarded for purposes of determining whether a material adverse change has occurred.

Further, factors beyond our control, such as adverse economic conditions, could disrupt capital markets and limit the availability or willingness of financial institutions to extend capital to us in the future. Any of these factors could have a material adverse effect on our business, results of operations, and financial condition.

Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks.

Our ability to capitalize on growth in new international markets and to maintain our current level of operations in our existing markets is subject to certain risks associated with operating in various locations around the globe. These include, but are not limited to:

- complying with a variety of U.S. and foreign laws and regulations, including, but not limited to, trade, labor, product labeling, and product safety restrictions, as well as the Foreign Corrupt Practices Act, which prohibits U.S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business, and similar foreign country laws, such as the U.K. Bribery Act, which prohibits U.K. and related companies from any form of bribery;
- adapting to local customs and culture;
- unexpected changes in laws, judicial processes, or regulatory requirements;
- the imposition of additional duties, tariffs, taxes, and other charges or other barriers to trade;
- changes in diplomatic and trade relationships;
- political instability, such as the recent protests in Hong Kong, and terrorist attacks;
- pandemic diseases, such as COVID-19; and
- general economic fluctuations in specific countries or markets.

Changes in regulatory, geopolitical, social, economic, or monetary policies and other factors may have a material adverse effect on our business in the future or may require us to exit a particular market or significantly modify our current business practices. For example, although trade relations between the U.S. and China have begun to ease, both countries have imposed new tariffs on each other related to the importation of certain product categories, including imports of apparel into the U.S. from China. As a result of actions to mitigate our exposure to the resulting tariffs, which include diverting production to and sourcing from other countries, driving productivity within our existing supplier base, and taking pricing actions, the tariffs enacted to date are not expected to have a material adverse impact on our business operations. However, if the U.S. decides to impose additional tariffs on apparel or other of our goods imported from China, there can be no assurance that we will be able to offset all related increased costs, which could be material to our business operations as approximately 25% of our products are sourced from China. There have also been recent changes to U.S. participation in, and discussion regarding the potential renegotiation of, certain international trade agreements such as the North American Free Trade Agreement, now known as the U.S.-Mexico-Canada Agreement. We cannot predict if, and to what extent, there will be changes to international trade agreements or the resulting impact such changes would have on our business operations. For a discussion of risks associated with the importation of products, see "*Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications.*"

Our business could also be impacted by changes to the tax laws and regulations in the countries where we operate. For example, the Organisation for Economic Co-operation and Development (the "OECD"), which represents a coalition of member countries, has proposed changes to numerous long-standing tax principles through its Base Erosion and Profit Shifting project, which is focused on a number of issues, including the shifting of profits among affiliated entities located in different tax jurisdictions. In response, certain member countries are beginning to implement legislation to align their international tax rules with the OECD's recommendations, such as Switzerland's recently enacted Swiss Tax Act, as described in Item 1 — "*Business — Recent Developments.*" Taxing authorities of certain state, local, and other foreign jurisdictions may also decide to modify existing tax

laws. We cannot predict which, if any, of these items or others will be enacted into law or the resulting impact any such enactment will have on our business operations. However, if new legislation were enacted, it could have a material adverse effect on our business, results of operations, and financial condition.

Additionally, the United Kingdom recently withdrew from the European Union, commonly referred to as "Brexit." Although it ceased to be a member of the European Union effective January 31, 2020, the United Kingdom is now in a "transition period" during which its existing trading relationship with the European Union will remain in place and it will continue to follow the European Union's rules. Negotiations during the transition period to determine the United Kingdom's future relationship with the European Union post-transition period, including terms of trade, are expected to be complex. It is not clear at this time what, if any, agreements will be reached by the current December 31, 2020 transition period deadline. Brexit could significantly disrupt the free movement of goods, services, and people between the United Kingdom and the European Union, and result in increased legal and regulatory complexities, as well as potential higher costs of conducting business in Europe. The uncertainty surrounding the United Kingdom's future relationship with the European Union could also adversely impact consumer and investor confidence, and the level of consumer purchases of discretionary items and luxury retail products, including our products. Although we are closely monitoring the latest developments regarding Brexit and are assessing risk and opportunities and developing strategies to mitigate our exposure once the transition period expires, any of these effects, among others, could materially adversely affect our business, results of operations, and financial condition. Brexit has also contributed to significant volatility and uncertainty in global stock markets and currency exchange rates, and such volatility could continue to occur as the negotiation process progresses. For a discussion of risks related to currency exchange fluctuations, see *"Our business is exposed to domestic and foreign currency fluctuations."*

Our business is subject to risks associated with importing products and the ability of our manufacturers to produce our goods on time and to our specifications.

We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. Our products are manufactured to our specifications through arrangements with over 500 foreign manufacturers in various countries. In Fiscal 2020, approximately 98% of our products (by dollar value) were produced outside of the U.S., primarily in Asia, Europe, and Latin America, with approximately 25% of our products sourced from China. Risks inherent in importing our products include:

- pandemic diseases, such as COVID-19, which could result in closed factories, reduced workforces, scarcity of raw materials, and scrutiny or embargoing of goods produced in infected areas;
- changes in social, political, and economic conditions or terrorist acts that could result in the disruption of trade from the countries in which our manufacturers or suppliers are located;
- the imposition of additional regulations, quotas, or safeguards relating to imports or exports, and costs of complying with such regulations and other laws relating to the identification and reporting of the sources of minerals used in our products;
- the imposition of additional duties, tariffs, taxes, and other charges on imports or exports;
- unfavorable changes in the availability, cost, or quality of raw materials and commodities;
- increases in the cost of labor, travel, and transportation;
- disruptions of shipping and international trade caused by natural and man-made disasters, labor shortages (stemming from labor disputes, strikes, or otherwise), or other unforeseen events;
- heightened terrorism-related cargo and supply chain security concerns, which could subject imported or exported goods to additional, more frequent, or more thorough inspections, leading to delays in the delivery of cargo;
- decreased scrutiny by customs officials for counterfeit goods, leading to lost sales, increased costs for our anti-counterfeiting measures, and damage to the reputation of our brands; and
- the imposition of sanctions in the form of additional duties either by the U.S. or its trading partners to remedy perceived illegal actions by national governments.

Any one of these factors could have a material adverse effect on our business, results of operations, and financial condition. For a discussion of risks related to the potential imposition of additional regulations and laws, see *"Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks."*

In addition, the inability of a manufacturer to ship orders of our products in a timely manner or to meet our strict quality standards could cause us to miss the delivery date requirements of our customers for those items, which could result in cancellation of orders, refusal to accept deliveries, or a substantial reduction in purchase prices, any of which could have a material adverse effect on our business, results of operations, and financial condition. Prices of raw materials used to manufacture our products may also fluctuate significantly as a result of many factors, including general economic conditions, energy prices, crop yields, and availability of labor and the related costs of such labor. Any increases in prices of such raw materials could have a material adverse effect on our cost of sales. Furthermore, the cost of labor at many of our third-party manufacturers has been increasing significantly and, as the middle class in developing countries such as China continues to grow, it is unlikely that such cost pressure will abate. The cost of transportation remains significant as well, and it is likely that such cost will fluctuate significantly if oil prices remain volatile. We may not be able to offset such increases in raw materials, freight, or labor costs through pricing actions or other means.

A data security or privacy breach could damage our reputation and our relationships with our customers or employees, expose us to litigation risk, and adversely affect our business.

We are dependent on information technology systems and networks, including the Internet, for a significant portion of our direct-to-consumer sales, including our digital commerce operations and retail business credit card transaction authorization and processing. We are also responsible for storing data relating to our customers and employees and rely on third parties for the operation of our digital commerce websites and for the various social media tools and websites we use as part of our marketing strategy. In our normal course of business, we often collect, transmit, and/or retain certain sensitive and confidential customer information, including credit card information. There is significant concern by consumers, employees, and lawmakers alike over the security of personal information transmitted over the Internet, consumer identity theft, and user privacy, as cyber-criminals are becoming increasingly more sophisticated in their attempts to gain unauthorized access to computer systems and confidential or sensitive data.

Despite the security measures we currently have in place (including those described in Item 1 — "*Business — Information Systems*"), our facilities and systems and those of our third-party service providers may be vulnerable to security breaches, acts of vandalism, phishing attacks, computer viruses, malware, ransomware, misplaced or lost data, programming and/or human errors, or other Internet or email events. The increased use of smartphones, tablets, and other wireless devices, as well as the need for a substantial portion of our corporate employees to work remotely during the COVID-19 pandemic, may also heighten these and other operational risks. The retail industry in particular continues to be the target of many cyber-attacks, which are becoming increasingly more difficult to anticipate and prevent due to their rapidly evolving nature. Although we have purchased network security and cyber liability insurance to provide a level of financial protection should a data breach occur, such insurance may not cover us against all claims or costs associated with such a breach. Additionally, the technology we use to protect our systems from being breached or compromised could become outdated as a result of advances in computer capabilities or other technological developments. Further, measures we implement to protect our computer systems against cyber-attacks may make them harder to use or reduce the speed at which they operate, which in turn could negatively impact our customers' shopping experience resulting in reduced website traffic, diminished loyalty to our brands, and lost sales.

Any perceived or actual electronic or physical security breach involving the misappropriation, loss, or other unauthorized disclosure of confidential or personally identifiable information, including penetration of our network security, whether by us or by a third party, could disrupt our business, severely damage our reputation and our relationships with our customers or employees, expose us to risks of litigation, significant fines and penalties, and liability, and result in deterioration in our customers' and employees' confidence in us, and adversely affect our business, results of operations, and financial condition. Since we do not control third-party service providers and cannot guarantee that no electronic or physical computer break-ins and security breaches will occur in the future, any perceived or actual unauthorized disclosure of personally identifiable information regarding our employees, customers or website visitors could harm our reputation and credibility, result in lost sales, impair our ability to attract website visitors, and/or reduce our ability to attract and retain employees and customers. As these threats develop and grow, we may find it necessary to make significant further investments to protect data and our infrastructure, including the implementation of new computer systems or upgrades to existing systems, deployment of additional personnel and protection-related technologies, engagement of third-party consultants, and training of employees.

In addition, the regulatory environment relating to information security and privacy is becoming increasingly more demanding with frequent new requirements surrounding the handling, protection, and use of personal and sensitive information. We may incur significant costs in complying with the various applicable state, federal, and foreign laws regarding protection of, and unauthorized disclosure of, personal information. Additionally, failing to comply with such laws and regulations could damage the reputation of our brands and lead to adverse consumer actions, as well as expose us to government enforcement action and/or private litigation, any of which could adversely affect our business, results of operations, and financial condition.

Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively.

We are dependent on our computer systems to record and process transactions and manage and operate our business, including designing, marketing, manufacturing, importing, tracking, and distributing our products, processing payments, accounting for and reporting financial results, and managing our employees and employee benefit programs. In addition, we have digital commerce and other informational websites in North America, Europe, and Asia, including Australia and New Zealand, and have plans for additional digital commerce sites in the future. Given the complexity of our business and the significant number of transactions that we engage in on a daily basis, it is imperative that we maintain uninterrupted operation of our computer hardware and software systems.

Despite our preventative efforts, our systems are vulnerable to damage or interruption from, among other things, security breaches, computer viruses, technical malfunctions, inadequate system capacity, power outages, natural disasters, and usage errors by our employees or third-party consultants. If our information technology systems become damaged or otherwise cease to function properly, we may have to make significant investments to repair or replace them. Additionally, confidential or sensitive data related to our customers or employees could be lost or compromised. We are continually improving and upgrading our computer systems and software, which also involves risks and uncertainties. Any disruptions, delays, or deficiencies in the design, implementation, or transition of such systems could result in increased costs, disruptions in the sourcing, sale, and shipment of our product, delays in the collection of cash from our customers, and/or adversely affect our ability to accurately report our financial results in a timely manner. Any material disruptions in our information technology systems could have a material adverse effect on our business, results of operations, and financial condition.

Our business could suffer if we need to replace manufacturers or distribution centers.

We do not own or operate any manufacturing facilities and depend exclusively on independent third parties for the manufacture of our products. We compete with other companies for the production capacity of our manufacturers. Some of these competitors may place larger orders than we do, and thus may have an advantage in securing production capacity. If we experience a significant increase in demand, or if an existing manufacturer of ours must be replaced, we may have to expand our third-party manufacturing capacity. We cannot guarantee that this additional capacity will be available when required on terms that are acceptable to us. See Item 1 — "*Business - Sourcing, Production and Quality.*" We enter into purchase order commitments each season specifying a time for delivery, method of payment, design and quality specifications, and other standard industry provisions, but do not have long-term contracts with any manufacturer. None of the manufacturers we use produce our products exclusively.

In addition, we rely on a number of owned, leased, and independently-operated distribution facilities around the world to warehouse and ship products to our customers and perform other related logistic services. Our ability to meet the needs of our customers depends on the proper operation of these distribution centers. Our distributions centers generally utilize computer-controlled and automated equipment, which are subject to various risks, including software viruses, security breaches, power interruptions, or other system failures. If any of our distribution centers were to close or become inoperable or inaccessible for any reason, including pandemic diseases such as COVID-19, or if we fail to successfully consolidate existing facilities or transition to new facilities, we could experience a substantial loss of inventory, disruption of deliveries to our customers and our stores, increased costs, and longer lead times associated with the distribution of products during the period that would be required to reopen or replace the facility. These disruptions could have a material adverse effect on our business, results of operations, and financial condition.

We also rely upon third-party transportation providers for substantially all of our product shipments, including shipments to and from our distribution centers, to our stores and shop-within-shops, and to our digital commerce and wholesale customers. Our utilization of these shipping services is subject to various risks, including, but not limited to, potential labor shortages (stemming from labor disputes, strikes, or otherwise), severe weather, and pandemic diseases, which could delay the timing of shipments, and increases in wages and fuel prices, which could result in higher transportation costs. Any delays in the timing of our product shipments or increases in transportation costs could have a material adverse effect on our business, results of operations, and financial condition.

Our business could be adversely affected by man-made or natural disasters and other catastrophic events in the locations in which we or our customers or suppliers operate.

We have operations, including retail, distribution, and warehousing operations, in locations subject to man-made or natural disasters, including pandemic diseases such as COVID-19, severe weather, geological events, and other catastrophic events, such as terrorist attacks and military conflict, any of which could disrupt our operations. In addition, our customers and suppliers also have operations in these locations and could experience similar disruptions. The occurrence of natural disasters or other catastrophic events may result in sudden disruptions in the business operations of the local economies affected, as well as of the regional and global economies. The occurrence of such events could also adversely affect financial markets and the availability of capital. In addition, our business can be affected by unseasonable weather conditions, such as extended periods of unseasonably warm temperatures in the winter or unseasonably cold temperatures in the summer. Any of these events could result in decreased demand for our products and disruptions in our sales channels and manufacturing and distribution networks, which could have a material adverse effect on our business, results of operations, and financial condition.

Fluctuations in our tax obligations and effective tax rate may result in volatility of our operating results.

We are subject to income and non-income taxes in many U.S. and certain foreign jurisdictions, with the applicable tax rates varying by jurisdiction. We record tax expense based on our estimates of future payments, which include reserves for uncertain tax positions in multiple tax jurisdictions. At any given time, multiple tax years are subject to audit by various taxing authorities. The results of these audits and negotiations with taxing authorities may affect the ultimate settlement of these issues. As a result, we expect that throughout the year there could be ongoing variability in our quarterly tax rates as events occur and exposures are evaluated. Our effective tax rate in a given financial statement period may also be materially impacted by changes in the mix and level of earnings by jurisdiction or by changes to existing accounting rules. Additionally, our products are subject to import and excise duties, and/or sales, consumption, value-added taxes ("VAT"), and other non-income taxes in certain international jurisdictions. Failure to correctly calculate or submit the appropriate amount of income or non-income taxes could subject us to substantial fines and penalties and adversely affect our business, results of operations, and financial condition.

In addition, the tax laws and regulations in the countries where we operate may change, such as the recently-enacted Swiss Tax Act, or there may be changes in interpretation and enforcement of existing tax laws, which could materially affect our income tax expense in our consolidated financial statements. For a discussion of risks related to the potential imposition of additional regulations and laws, see *"Our ability to conduct business globally may be affected by a variety of legal, regulatory, political, and economic risks."*

Our business is exposed to domestic and foreign currency fluctuations.

Our business is exposed to foreign currency exchange risk. Specifically, changes in exchange rates between the U.S. dollar and other currencies impact our financial results from a transactional perspective, as our foreign operations generally purchase inventory in U.S. dollars, as is common for most apparel companies. Given that we source most of our products overseas, the cost of these products may be affected by changes in the value of the relevant currencies. Changes in currency exchange rates may also impact consumers' willingness or ability to travel abroad and/or purchase our products while traveling, as well as affect the U.S. Dollar value of the foreign currency denominated prices at which our international businesses sell products. Additionally, the operating results and financial position of our international subsidiaries are exposed to foreign exchange rate fluctuations as their financial results are translated from the respective local currency into U.S. Dollars during the financial statement consolidation process. The foreign currencies to which we are exposed to from a transactional and translational perspective primarily include the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi. The expansion of our international business increases our exposure to foreign currency exchange risk.

Although we hedge certain exposures to changes in foreign currency exchange rates arising in the ordinary course of business, we cannot fully anticipate all of our currency exposures and therefore foreign currency fluctuations may have a material adverse impact on our business, results of operations, and financial condition. In addition, factors that could impact the effectiveness of our hedging activities include the volatility of currency markets, the accuracy of forecasted transactions, and the availability of hedging instruments. As such, our hedging activities may not completely mitigate the impact of foreign currency fluctuations on our results of operations. See Item 7 — *"Management's Discussion and Analysis of Financial Condition and Results of Operations — Market Risk Management."*

Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases.

We generally operate most of our stores and corporate facilities under long-term, non-cancellable leasing arrangements. Our retail store leases typically require us to make minimum rental payments, and often contingent rental payments based upon sales. In addition, our leases generally require us to pay our proportionate share of the cost of insurance, taxes, maintenance, and utilities. We generally cannot cancel our leases at our option. If we decide to close a store, or if we decide to downsize, consolidate, or relocate any of our corporate facilities, we may be required to record an impairment charge and/or exit costs associated with the disposal of the store or corporate facility. In addition, we may remain obligated under the applicable lease for, among other things, payment of the base rent for the remaining lease term, even after the space is exited or otherwise closed (such as our recent temporary store closures resulting from the COVID-19 pandemic). Such costs and obligations related to the early or temporary closure of our stores or termination of our leases could have a material adverse effect on our business, results of operations, and financial condition. In addition, as each of our leases naturally expires, we may be unable to negotiate renewals, either on commercially acceptable terms or at all, which could lead to store closures resulting in lost sales.

The trading prices of our securities periodically may rise or fall based on the accuracy of predictions of our earnings or other financial performance, including our ability to return value to shareholders.

Our business planning process is designed to maximize our long-term strength, growth, and profitability, and not to achieve an earnings target in any particular fiscal quarter. We believe that this longer-term focus is in the best interests of our Company and our stockholders. At the same time, however, we recognize that, from time to time, it may be helpful to provide investors with guidance as to our quarterly and annual forecast of net sales and earnings. While we generally expect to provide updates to our guidance when we report our results each fiscal quarter, we do not have any responsibility to update any of our guidance or other forward-looking statements at such times or otherwise. In addition, any longer-term guidance that we provide is based on goals that we believe, at the time guidance is given, are reasonably attainable. However, such long-range targets are more difficult to predict than our current quarter and full fiscal year expectations. Additionally, external analysts and investors may publish their own independent predictions of our future performance. We do not endorse such predictions or assume any responsibility to correct such predictions when they differ from our own expectations. If, or when, we announce actual results that differ from those that have been predicted by us, outside analysts, or others, the market price of our securities could be adversely affected. Investors who rely on these predictions when making investment decisions with respect to our securities do so at their own risk. We take no responsibility for any losses suffered as a result of such changes in the prices of our securities.

In addition, we periodically return value to shareholders through our payment of quarterly cash dividends and common stock share repurchases. Investors may have an expectation that we will continue to pay quarterly cash dividends, further increase our cash dividend rate, and/or repurchase shares available under our Class A common stock repurchase program. Our ability to pay quarterly cash dividends and repurchase our Class A common stock will depend on our ability to generate sufficient cash flows from operations in the future. This ability may be subject to certain economic, financial, competitive, and other factors that are beyond our control, such as impacts related to COVID-19, which has resulted in us temporarily suspending our quarterly cash dividend and share repurchases during the crisis. Further, our Board of Directors may, at its discretion, elect to suspend or otherwise alter these programs at any time. The market price of our securities could be adversely affected if our cash dividend payments and/or Class A common stock share repurchase activity differ from investors' expectations.

We may not fully realize the expected cost savings and/or operating efficiencies from our restructuring plans.

We have implemented restructuring plans to support key strategic initiatives, such as the Fiscal 2019 Restructuring Plan, as described in Item 1 — "*Business — Recent Developments.*" Although designed to deliver long-term sustainable growth, restructuring plans present significant potential risks that may impair our ability to achieve anticipated operating enhancements and/or cost reductions, or otherwise harm our business, including:

- higher than anticipated costs in implementing planned workforce reductions, particularly in highly regulated locations outside the U.S.;
- higher than anticipated lease termination and store closure costs (see "*Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases*");
- failure to meet operational targets or customer requirements due to the loss of employees or inadequate transfer of knowledge;
- failure to maintain adequate controls and procedures while executing, and subsequent to completing, our restructuring plans;

- diversion of management attention and resources from ongoing business activities and/or a decrease in employee morale;
- attrition beyond any planned reduction in workforce; and
- damage to our reputation and brand image due to our restructuring-related activities, including the closure of certain of our stores.

If we are not successful in implementing and managing our restructuring plans, we may not be able to achieve targeted operating enhancements, sales growth, and/or cost reductions, which could adversely impact our business, results of operations, and financial condition. Our failure to achieve targeted results for any reason, including the impact of the COVID-19 pandemic, could also lead to the implementation of additional restructuring-related activities, which may be dilutive to our earnings in the short term.

Changes in our executive and senior management team may be disruptive to, or cause uncertainty in, our business.

Certain members of our executive and senior management team have departed in recent years, and we may implement other management and organizational changes in connection with our growth strategy. Any changes in our executive and senior management team may be disruptive to, or cause uncertainty in, our business and future strategic direction. The departure of certain key individuals and the failure to ensure a smooth transition and effective transfer of knowledge involving senior employees could hinder or delay our strategic planning and execution, as well as adversely affect our ability to attract and retain other experienced and talented employees. Further, our recent decision to furlough a significant portion of our employees in response to the COVID-19 pandemic could disrupt our business operations and processes, as well as our ability to maintain an effective system of internal controls and compliance with the requirements under the Sarbanes-Oxley Act of 2002. Any such disruption or uncertainty could have a material adverse impact on our business, results of operations, and financial condition.

Our trademarks and other intellectual property rights may not be adequately protected outside the U.S.

We believe that our trademarks, intellectual property, and other proprietary rights are extremely important to our success and our competitive position. We devote substantial resources to the establishment and protection of our trademarks and anti-counterfeiting activities worldwide. However, significant counterfeiting and imitation of our products continue to exist. In addition, the laws of certain foreign countries may not protect trademarks or other proprietary rights to the same extent as do the laws of the U.S. and, as a result, our intellectual property may be more vulnerable and difficult to protect in such countries. Over the course of our international expansion, we have experienced conflicts with various third parties that have acquired or claimed ownership rights to some of our key trademarks that include Polo and/or a representation of a polo player astride a horse, or otherwise have contested our rights to our trademarks. We have resolved certain of these conflicts through both legal action and negotiated settlements. We cannot guarantee that the actions we have taken to establish and protect our trademarks and other proprietary rights will be adequate to prevent counterfeiting, lost business, or brand dilution, any of which may have a material adverse effect on our business. We expect to continue to devote substantial resources to challenge brands arising from imitation of our products. Also, there can be no assurance that others will not assert rights in, or ownership of, trademarks and other proprietary rights of ours or that we will be able to successfully resolve these types of conflicts to our satisfaction or at all. See Item 1 — "*Business — Trademarks,*" and Item 3 — "*Legal Proceedings.*"

Our business could suffer if we fail to comply with labor laws or if one of our manufacturers fails to use acceptable labor or environmental practices.

We are subject to labor laws governing relationships with employees, including minimum wage requirements, overtime, working conditions, and citizenship requirements. Compliance with these laws may lead to increased costs and operational complexity and may increase our exposure to governmental investigations or litigation.

In addition, we require our licensing partners and independent manufacturers to operate in compliance with applicable laws and regulations. While our internal and vendor operating guidelines promote ethical business practices and our employees periodically visit and monitor the operations of our independent manufacturers, we do not control these manufacturers or their labor practices. The violation of labor, environmental, or other laws by an independent manufacturer used by us or one of our licensing partners, or the divergence of an independent manufacturer's or licensing partner's labor or environmental practices from those generally accepted as ethical or appropriate in the U.S., could interrupt or otherwise disrupt the shipment of finished products to us or damage our reputation. Any of these events, in turn, could have a material adverse effect on our business, results of operations, and financial condition.

Certain legal proceedings, regulatory matters, and accounting changes could adversely affect our business.

We are involved in certain legal proceedings and regulatory matters and are subject from time to time to various claims involving alleged breach of contract claims, intellectual property and other related claims, escheatment and unclaimed property, credit card fraud, security breaches in certain of our retail store information systems, employment issues, consumer matters, and other litigation. Certain of these lawsuits and claims, if decided adversely to us or settled by us, could result in material liability to our Company or have a negative impact on our reputation or relations with our employees, customers, licensees, or other third parties. In addition, regardless of the outcome of any litigation or regulatory proceedings, such proceedings could result in substantial costs and may require our Company to devote substantial time and resources to defend itself. Further, changes in governmental regulations both in the U.S. and in other countries where we conduct business operations could have an adverse impact on our business, results of operations, and financial condition. See Item 3 — "*Legal Proceedings*" for further discussion of our Company's legal matters.

In addition, we are subject to changes in accounting rules and interpretations issued by the Financial Accounting Standards Board and other regulatory agencies. If and when effective, such changes to accounting standards could have a material impact on our consolidated financial statements. See Note 4 to the accompanying consolidated financial statements for a discussion of certain recently issued accounting standards.

The voting shares of our Company's stock are concentrated in one majority stockholder.

As of March 28, 2020, Mr. Ralph Lauren, or entities controlled by the Lauren family, held approximately 84% of the voting power of the outstanding common stock of our Company. In addition, Mr. R. Lauren serves as our Executive Chairman and Chief Creative Officer, Mr. R. Lauren's son, Mr. David Lauren, serves as our Chief Innovation Officer, Strategic Advisor to the CEO, and Vice Chairman of the Board of Directors, and we employ other members of the Lauren family. From time to time, we may have other business dealings with Mr. R. Lauren, members of the Lauren family, or entities affiliated with Mr. R. Lauren or the Lauren family. As a result of his stock ownership and position in our Company, Mr. R. Lauren has the ability to exercise significant control over our business, including, without limitation, (i) the election of our Class B common stock directors, voting separately as a class and (ii) any action requiring the approval of our stockholders, including the adoption of amendments to our certificate of incorporation and the approval of mergers or sales of all or substantially all of our assets.

We rely on our licensing partners to preserve the value of our licenses. Failure to maintain licensing partners could harm our business.

The risks associated with our own products also apply to our licensed products in addition to any number of possible risks specific to a licensing partner's business, including risks associated with a particular licensing partner's ability to:

- obtain capital;
- execute its business plans;
- manage its labor relations;
- maintain relationships with its suppliers and customers; and
- manage its credit and bankruptcy risks effectively.

Although a number of our license agreements prohibit our licensing partners from entering into licensing arrangements with our competitors, our licensing partners generally are not precluded from offering, under other non-competitor brands, the types of products covered by their license agreements with us. A substantial portion of sales of our products by our domestic licensing partners are also made to our largest customers. While we have significant control over our licensing partners' products and advertising, we rely on our licensing partners for, among other things, operational and financial control over their businesses. Changes in management, reduced sales of licensed products, poor execution, or financial difficulties with respect to any of our licensing partners could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products.

Although we believe that we could replace our existing licensing partners in most circumstances, if necessary, our inability to do so for any period of time could adversely affect our revenues, both directly from reduced licensing revenue received and indirectly from reduced sales of our other products. See Item 1 — "*Business — Our Licensing Business*."

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

We lease space for our retail stores, showrooms, warehouses, and offices in various domestic and international locations. We do not own any real property except for our retail digital commerce call center and distribution facility in High Point, North Carolina; and our retail stores in Southampton and Easthampton, New York, and Nantucket, Massachusetts.

We believe that our existing facilities are well maintained, in good operating condition, and are adequate for our present level of operations.

The following table sets forth information relating to our key properties as of March 28, 2020:

Location	Use	Approximate Square Feet
NC Highway 66, High Point, NC	Wholesale and retail distribution facility	847,000
N. Pendleton Street, High Point, NC	Retail digital commerce call center and distribution facility	805,000
Greensboro, NC	Wholesale and retail distribution facility	337,700
601 West 26th Street, NYC	Corporate offices	304,900
650 Madison Avenue, NYC	Executive and corporate offices, design studio, and showrooms	273,200
Nutley, NJ	Corporate and retail administrative offices and showrooms	255,000
Geneva, Switzerland	European corporate offices	107,000
7th Avenue, NYC	Corporate offices, design studio, and Women's showrooms	78,800
Spinners Building, Hong Kong	Asia sourcing offices	67,000
Gateway Office, Hong Kong	Asia corporate offices	37,500
888 Madison Avenue, NYC	Retail flagship store	37,900
N. Michigan Avenue, Chicago	Retail flagship store	37,500
New Bond Street, London, UK	Retail flagship store	31,500
867 Madison Avenue, NYC	Retail flagship store	27,700
Paris, France	Retail flagship store	25,700
Tokyo, Japan	Retail flagship store	25,000
N. Rodeo Drive, Beverly Hills	Retail flagship store	19,400
Regent Street, London, UK	Retail flagship store	19,000
Prince's Building, Hong Kong	Retail flagship store	9,800

As of March 28, 2020, we directly operated 530 retail stores, totaling approximately 4.1 million square feet. We anticipate that we will be able to extend our retail store leases, as well as those leases for our non-retail facilities, which expire in the near future on satisfactory terms or relocate to desirable alternate locations. We generally lease our freestanding retail stores for initial periods ranging from 5 to 15 years, with renewal options. See Item 1A — "Risk Factors — Our business is subject to risks associated with leasing real estate and other assets under long-term, non-cancellable leases."

Item 3. Legal Proceedings.

We are involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to our business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of products, taxation, unclaimed property, and employee relations. We believe at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on our consolidated financial statements. However, our assessment of any litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

As of May 22, 2020, there were 667 holders of record of our Class A common stock and 6 holders of record of our Class B common stock. Our Class A common stock is traded on the New York Stock Exchange ("NYSE") under the symbol "RL." All of our outstanding shares of Class B common stock are owned by Mr. Ralph Lauren, Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family. Shares of our Class B common stock may be converted immediately into Class A common stock on a one-for-one basis by the holder. There is no cash or other consideration paid by the holder converting the shares and, accordingly, there is no cash or other consideration received by the Company. The shares of Class A common stock issued by the Company in such conversions are exempt from registration pursuant to Section 3(a)(9) of the Securities Act of 1933, as amended. No shares of our Class B common stock were converted into Class A common stock during the fiscal quarter ended March 28, 2020.

The following table sets forth repurchases of shares of our Class A common stock during the fiscal quarter ended March 28, 2020:

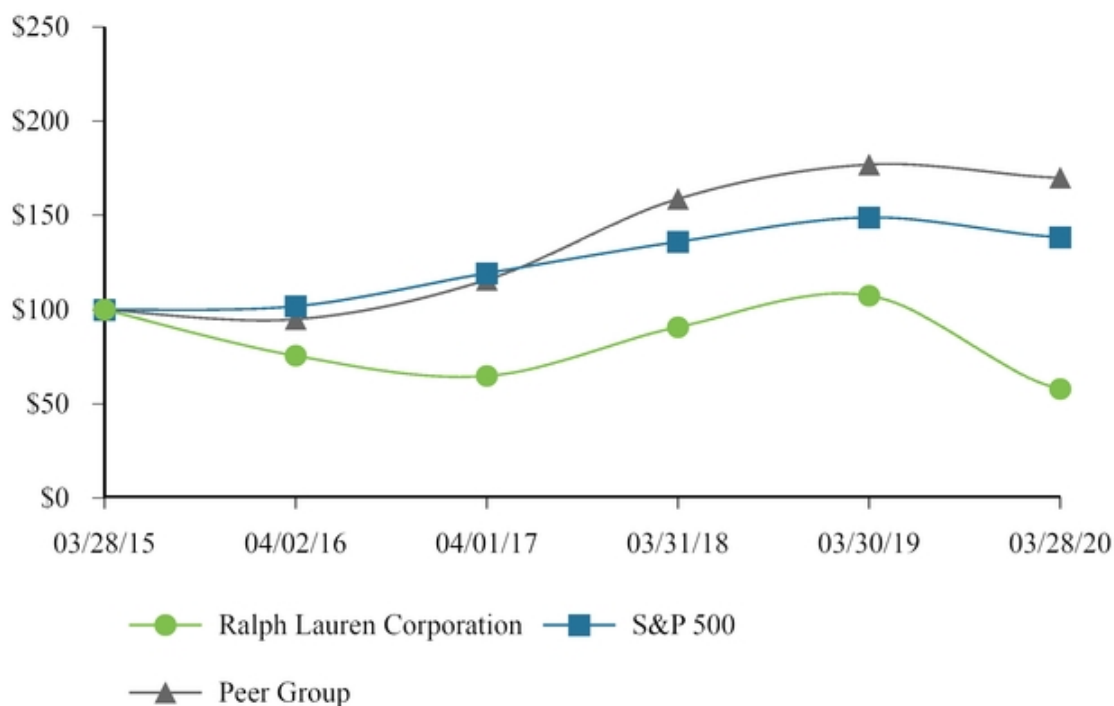
	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs ^(b)
				(millions)
December 29, 2019 to January 25, 2020	—	\$ —	—	\$ 732
January 26, 2020 to February 22, 2020	783,395	121.29	783,395	637
February 23, 2020 to March 28, 2020	555,265 ^(a)	104.18	543,438	580
	1,338,660		1,326,833	

^(a) Includes 11,827 shares surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards issued under its long-term stock incentive plans.

^(b) As of March 28, 2020, the remaining availability under our Class A common stock repurchase program was approximately \$580 million, reflecting the May 13, 2019 approval by our Board of Directors to expand the program by up to an additional \$600 million of Class A common stock repurchases. Repurchases of shares of Class A common stock are subject to overall business and market conditions. Accordingly, as a result of current business disruptions related to the COVID-19 pandemic, we have temporarily suspended our common stock repurchase program as a preemptive action to preserve cash and strengthen our liquidity.

The following graph compares the cumulative total stockholder return (stock price appreciation plus dividends) on our Class A common stock to the cumulative total return of the Standard & Poor's 500 Index and a peer group index of companies that we believe are closest to ours (the "Peer Group") for the period from March 28, 2015, the last day of our 2015 fiscal year, through March 28, 2020, the last day of our 2020 fiscal year. Our Peer Group consists of Burberry Group PLC, Compagnie Financière Richemont SA, EssilorLuxottica SA, The Estée Lauder Companies Inc., Hermes International, Kering, LVMH, PVH Corp., Tapestry, Inc., Tiffany & Co., Tod's S.p.A., and V.F. Corporation. All calculations for foreign companies in our Peer Group are performed using the local foreign issue of such companies. The returns are calculated by assuming a \$100 investment made on March 28, 2015 in Class A common stock or March 31, 2015 in an index, with all dividends reinvested.

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN
Among Ralph Lauren Corporation, the S&P 500 Index, and a Peer Group



Item 6. Selected Financial Data

See the "Index to Consolidated Financial Statements and Supplementary Information," and specifically "Selected Financial Information" appearing at the end of this Annual Report on Form 10-K. This selected financial data should be read in conjunction with Item 7 — "Management's Discussion and Analysis of Financial Condition and Results of Operations" and Item 8 — "Financial Statements and Supplementary Data" included in this Annual Report on Form 10-K. Historical results may not be indicative of future results.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following management's discussion and analysis of financial condition and results of operations ("MD&A") should be read together with our audited consolidated financial statements and notes thereto, which are included in this Annual Report on Form 10-K. We utilize a 52-53 week fiscal year ending on the Saturday closest to March 31. As such, Fiscal 2020 ended on March 28, 2020 and was a 52-week period; Fiscal 2019 ended on March 30, 2019 and was a 52-week period; Fiscal 2018 ended on March 31, 2018 and was a 52-week period; and Fiscal 2021 will end on March 27, 2021 and will be a 52-week period.

INTRODUCTION

MD&A is provided as a supplement to the accompanying consolidated financial statements and notes thereto to help provide an understanding of our results of operations, financial condition, and liquidity. MD&A is organized as follows:

- *Overview.* This section provides a general description of our business, global economic conditions and industry trends, and a summary of our financial performance for Fiscal 2020. In addition, this section includes a discussion of recent developments and transactions affecting comparability that we believe are important in understanding our results of operations and financial condition, and in anticipating future trends.
- *Results of operations.* This section provides an analysis of our results of operations for Fiscal 2020 and Fiscal 2019 as compared to the respective prior fiscal year.
- *Financial condition and liquidity.* This section provides a discussion of our financial condition and liquidity as of March 28, 2020, which includes (i) an analysis of our financial condition as compared to the prior fiscal year-end; (ii) an analysis of changes in our cash flows for Fiscal 2020 and Fiscal 2019 as compared to the respective prior fiscal year; (iii) an analysis of our liquidity, including the availability under our commercial paper borrowing program and credit facilities, common stock repurchases, payments of dividends, and our outstanding debt and covenant compliance; and (iv) a summary of our contractual and other obligations as of March 28, 2020.
- *Market risk management.* This section discusses how we manage our risk exposures related to foreign currency exchange rates, interest rates, and our investments as of March 28, 2020.
- *Critical accounting policies.* This section discusses accounting policies considered to be important to our results of operations and financial condition, which typically require significant judgment and estimation on the part of management in their application. In addition, all of our significant accounting policies, including our critical accounting policies, are summarized in Note 3 to the accompanying consolidated financial statements.
- *Recently issued accounting standards.* This section discusses the potential impact on our reported results of operations and financial condition of certain accounting standards that have been recently issued.

OVERVIEW

Our Business

Our Company is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances, and hospitality. Our long-standing reputation and distinctive image have been developed across an expanding number of products, brands, sales channels, and international markets. Our brand names include Ralph Lauren, Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Ralph Lauren Children, Chaps, and Club Monaco, among others.

We diversify our business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows us to maintain a dynamic balance as our operating results do not depend solely on the performance of any single geographic area or channel of distribution. We sell directly to consumers through our integrated retail channel, which includes our retail stores, concession-based shop-within-shops, and digital commerce operations around the world. Our wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which we have licensed the right to operate in defined geographic territories using our trademarks. In addition, we license to third parties for specified periods the right to access our various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

We organize our business into the following three reportable segments:

- *North America* — Our North America segment, representing approximately 51% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in the U.S. and Canada, excluding Club Monaco. In North America, our retail business is comprised of our Ralph Lauren stores, our factory stores, and our digital commerce site, www.RalphLauren.com. Our wholesale business in North America is comprised primarily of sales to department stores, and to a lesser extent, specialty stores.
- *Europe* — Our Europe segment, representing approximately 26% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in Europe, the Middle East, and Latin America, excluding Club Monaco. In Europe, our retail business is comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our various digital commerce sites. Our wholesale business in Europe is comprised of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — Our Asia segment, representing approximately 17% of our Fiscal 2020 net revenues, primarily consists of sales of our Ralph Lauren branded products made through our retail and wholesale businesses in Asia, Australia, and New Zealand. Our retail business in Asia is primarily comprised of our Ralph Lauren stores, our factory stores, our concession-based shop-within-shops, and our digital commerce site, www.RalphLauren.cn, which launched in September 2018. In addition, we sell our products online through various third-party digital partner commerce sites. In Asia, our wholesale business is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form our reportable segments. In addition to these reportable segments, we also have other non-reportable segments, representing approximately 6% of our Fiscal 2020 net revenues, which primarily consist of (i) sales of Club Monaco branded products made through our retail and wholesale businesses in the U.S., Canada, and Europe, and our licensing alliances in Europe and Asia, and (ii) royalty revenues earned through our global licensing alliances, excluding Club Monaco.

Effective beginning in the first quarter of Fiscal 2020, operating results related to our business in Latin America are included within our Europe segment due to a change in how we manage this business. Previously, such results were included within our other non-reportable segments. All prior period segment information has been recast to reflect this change on a comparative basis.

Approximately 46% of our Fiscal 2020 net revenues were earned outside of the U.S. See Note 20 to the accompanying consolidated financial statements for further discussion of our segment reporting structure.

Our business is typically affected by seasonal trends, with higher levels of retail sales in our second and third fiscal quarters and higher wholesale sales in our second and fourth fiscal quarters. These trends result primarily from the timing of key vacation travel, back-to-school, and holiday shopping periods impacting our retail business and the timing of seasonal wholesale shipments.

Recent Developments

COVID-19 Pandemic

A novel strain of coronavirus commonly referred to as COVID-19 has spread rapidly across the globe in recent months, including throughout all major geographies in which we operate (North America, Europe, and Asia), resulting in adverse economic conditions and business disruptions, as well as significant volatility in global financial markets. Governments worldwide have imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such factors, among others, have resulted in a significant decline in retail traffic, tourism, and consumer spending on discretionary items. Additionally, during this period of uncertainty, companies across a wide array of industries have implemented various initiatives to reduce operating expenses and preserve cash balances, including work furloughs and reduced pay, which could lower consumers' disposable income levels or willingness to purchase discretionary items. Further, even after such government restrictions and company initiatives are lifted, consumer behavior, spending levels, and/or shopping preferences, such as their willingness to congregate in shopping centers or other populated locations, could be adversely affected.

In connection with the COVID-19 pandemic, we have experienced varying degrees of business disruptions and periods of closure of our stores, distribution centers, and corporate facilities, as have our wholesale customers, licensing partners, suppliers, and vendors. For example, a significant number of our stores in parts of Asia were closed for a substantial portion of our fourth

quarter of Fiscal 2020. Although our stores in Asia were largely reopened by the end of our Fiscal 2020, certain countries, including Japan, began imposing new restrictions during our first quarter of Fiscal 2021. Retail traffic also continues to be challenging in those regions in which our stores are open. Additionally, our stores in North America and the majority in Europe closed mid-March or earlier, and although certain stores have since reopened, a large number remain closed and we are uncertain when they will reopen. Our wholesale business has also been adversely affected, particularly in North America and Europe, as a result of department store closures and lower traffic and consumer demand.

In response to the COVID-19 pandemic, we have taken preemptive actions to preserve cash and strengthen our liquidity, including:

- drawing down \$475 million from our Global Credit Facility to bolster cash balances;
- entering into a new credit facility with the same lenders that are parties to the Global Credit Facility, which provides for an additional \$500 million senior unsecured revolving line of credit that matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements;
- temporarily suspending our common stock repurchase program and our quarterly cash dividend;
- temporarily reducing the base compensation of our executives and senior management team, as well as our Board of Directors;
- carefully managing our expense structure across all key areas of spend, including aligning inventory levels with anticipated demand and postponing non-critical capital build-out and other investments and activities; and
- temporarily furloughing or reducing work hours for a significant portion of our employees who nevertheless remain eligible for employee benefits during such period.

The COVID-19 pandemic remains highly volatile and continues to evolve on a daily basis. Accordingly, we cannot predict for how long and to what extent this crisis will impact our business operations or the global economy as a whole. We will continue to assess our operations location-by-location, taking into account the guidance of local governments and global health organizations to determine when our operations can begin returning to normal course of business. See Item 1A — "Risk Factors — Infectious disease outbreaks, such as the recent COVID-19 pandemic, could have a material adverse effect on our business" for additional discussion regarding risks to our business associated with the COVID-19 pandemic.

Swiss Tax Reform

In May 2019, a public referendum was held in Switzerland that approved the Federal Act on Tax Reform and AHV Financing (the "Swiss Tax Act"), which became effective January 1, 2020. The Swiss Tax Act eliminates certain preferential tax items at both the federal and cantonal levels for multinational companies and provides the cantons with parameters for establishing local tax rates and regulations. The Swiss Tax Act also provides transitional provisions, one of which allows eligible companies to increase the tax basis of certain assets based on the value generated by their business in previous years, and to amortize such adjustment as a tax deduction over a transitional period. In connection with this transitional provision, we recorded a one-time income tax benefit and corresponding deferred tax asset of \$122.9 million during Fiscal 2020, which decreased our effective tax rate by 3,760 basis points.

See Note 10 to the accompanying consolidated financial statements for additional discussion regarding the Swiss Tax Act.

Fiscal 2019 Restructuring Plan

On June 4, 2018, our Board of Directors approved a restructuring plan associated with our strategic objective of operating with discipline to drive sustainable growth (the "Fiscal 2019 Restructuring Plan"). The Fiscal 2019 Restructuring Plan includes the following restructuring-related activities: (i) rightsizing and consolidation of our global distribution network and corporate offices; (ii) targeted severance-related actions; and (iii) closure of certain of our stores and shop-within-shops. Actions associated with the Fiscal 2019 Restructuring Plan are expected to result in gross annualized expense savings of approximately \$60 million to \$80 million.

In connection with the Fiscal 2019 Restructuring Plan, we have recorded cumulative charges of \$145.8 million since its inception, of which \$48.5 million and \$97.3 million were recorded during Fiscal 2020 and Fiscal 2019, respectively. Actions

associated with the Fiscal 2019 Restructuring Plan are complete and no additional charges are expected to be incurred in connection with this plan.

See Note 9 to our accompanying consolidated financial statements for additional discussion regarding charges recorded in connection with the Fiscal 2019 Restructuring Plan.

U.S. Tax Reform

On December 22, 2017, President Trump signed into law new tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"), which became effective January 1, 2018. The TCJA significantly revised U.S. tax law by, among other provisions, lowering the U.S. federal statutory income tax rate from 35% to 21%, creating a territorial tax system that includes a one-time mandatory transition tax on previously deferred foreign earnings, and eliminating or reducing certain income tax deductions.

During Fiscal 2018, we recorded net charges of \$221.4 million within our income tax provision in connection with the TCJA, which increased our effective tax rate by 4,520 basis points. Subsequently, during Fiscal 2019, we recorded net measurement period adjustments of \$27.6 million as permitted by SEC Staff Accounting Bulletin No. 118 ("SAB 118"). These measurement period adjustments increased our effective tax rate by 470 basis points during Fiscal 2019.

See Note 10 to the accompanying consolidated financial statements for additional discussion regarding the TCJA.

Global Economic Conditions and Industry Trends

The global economy and retail industry are impacted by many different factors. The recent outbreak of COVID-19 has resulted in heightened uncertainty surrounding the future state of the global economy, as well as significant volatility in global financial markets. As discussed in "*Recent Developments*," governments worldwide have imposed varying degrees of preventative and protective actions, such as temporary travel bans, forced business closures, and stay-at-home orders, all in an effort to reduce the spread of the virus. Such actions, together with changes in consumers' willingness to congregate in populated areas and lower levels of disposal income due to rising unemployment rates, have resulted in significant business disruptions across a wide array of industries and an overall decline of the global economy.

The global economy has also been impacted by the domestic and international political environment, including volatile international trade relations and political unrest. Although trade relations between the U.S. and China have begun to ease, both countries have imposed new tariffs on each other related to the importation of certain product categories. Concerns also exist regarding the United Kingdom's recent withdrawal from the European Union, commonly referred to as "Brexit." The United Kingdom ceased to be a member of the European Union, effective January 31, 2020, and has entered a "transition period" during which its existing trading relationship with the European Union will remain in place and it will continue to follow the European Union's rules. Negotiations during the transition period to determine the United Kingdom's future relationship with the European Union, including terms of trade, are expected to be complex. It is not clear at this time what, if any, agreements will be reached by the current December 31, 2020 transition period deadline and the resulting impact on consumer sentiment. Additionally, certain other worldwide events, including political protests such as those that recently took place in Hong Kong, acts of terrorism, taxation or monetary policy changes, fluctuations in commodity prices, and rising healthcare costs, also increase volatility in the global economy.

The retail landscape in which we operate has been significantly disrupted by the COVID-19 pandemic, including widespread temporary closures of stores and distribution centers and declines in retail traffic, tourism, and consumer spending on discretionary items. Prior to the COVID-19 pandemic, consumers had been increasingly shifting their shopping preference from physical stores to online. This shift in preference could potentially be amplified in the future as a byproduct of the COVID-19 pandemic, as consumers may prefer to avoid populated locations, such as shopping centers, in fear of exposing themselves to infectious diseases. Even before the COVID-19 pandemic, many retailers, including certain of our large wholesale customers, have been highly promotional and have aggressively marked down their merchandise on a periodic basis in an attempt to offset declines in physical store traffic. The retail industry, particularly in the U.S., has also experienced numerous bankruptcies, restructurings, and ownership changes in recent years. The COVID-19 pandemic could exacerbate these trends if companies do not have adequate financial resources and/or access to additional capital to withstand prolonged periods of adverse economic conditions. The continuation of these industry trends could further impact consumer spending and consumption behavior in our industry, which could have a material adverse effect on our business or operating results.

We have implemented various strategies globally to help address many of these current challenges and continue to build a foundation for long-term profitable growth centered around strengthening our consumer-facing areas of product, stores, and

marketing across channels and driving a more efficient operating model. In response to the COVID-19 pandemic, we have taken preemptive actions to preserve cash and strengthen our liquidity, as described in *"Recent Developments."* Investing in our digital ecosystem remains a primary focus and is a key component of our integrated global omni-channel strategy, particularly in light of the current COVID-19 pandemic, which could reshape consumer shopping preferences. We also continue to take deliberate actions to ensure promotional consistency across channels and to enhance the overall brand and shopping experience, including better aligning shipments and inventory levels with underlying demand. We also remain committed to optimizing our wholesale distribution channel and enhancing our department store consumer experience. Further, in response to the recent trade developments between the U.S. and China, we have taken steps to mitigate our exposure to the resulting tariffs, including diverting production to and sourcing from other countries, driving productivity within our existing supplier base, and taking pricing actions. As a result of these efforts, the tariffs enacted to date are not expected to have a material impact on our consolidated financial statements. We are also closely monitoring the latest Brexit developments and are assessing risks and opportunities and developing strategies to mitigate our exposure once the transition period expires, including evaluating scenarios in which the transition period ends without trade agreements in place.

We will continue to monitor these conditions and trends and will evaluate and adjust our operating strategies and foreign currency and cost management opportunities to help mitigate the related impacts on our results of operations, while remaining focused on the long-term growth of our business and protecting and elevating the value of our brand.

For a detailed discussion of significant risk factors that have the potential to cause our actual results to differ materially from our expectations, see Part I, Item 1A — *"Risk Factors"* included in this Annual Report on Form 10-K.

Summary of Financial Performance

Operating Results

In Fiscal 2020, we reported net revenues of \$6.160 billion, net income of \$384.3 million, and net income per diluted share of \$4.98, as compared to net revenues of \$6.313 billion, net income of \$430.9 million, and net income per diluted share of \$5.27 in Fiscal 2019. The comparability of our operating results has been affected by adverse impacts related to COVID-19 and Hong Kong protest business disruptions, as well as restructuring-related charges, impairment of assets, and certain other charges. Our operating results have also been affected by international and domestic tax reform.

Our operating performance for Fiscal 2020 reflected revenue declines of 2.4% on a reported basis and 1.2% on a constant currency basis, as defined within *"Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition"* below, reflecting adverse impacts related to COVID-19 and Hong Kong protest business disruptions.

Our gross profit as a percentage of net revenues decreased by 230 basis points to 59.3% during Fiscal 2020, primarily driven by inventory charges recorded in connection with COVID-19 business disruptions, partially offset by favorable geographic, channel, and product mix, improved pricing, and lower levels of promotional activity.

Selling, general, and administrative ("SG&A") expenses as a percentage of net revenues increased by 240 basis points to 52.6% during Fiscal 2020, primarily driven by operating deleverage on lower net revenues and higher bad debt expense, both largely attributable to COVID-19 business disruptions, as well as the unfavorable impact attributable to geographic and channel mix.

Net income decreased by \$46.6 million to \$384.3 million in Fiscal 2020 as compared to Fiscal 2019, primarily due to a \$244.8 million decrease in operating income reflecting adverse impacts related to COVID-19 and Hong Kong protest business disruptions, partially offset by a \$209.5 million decrease in our income tax provision largely driven by the combined impact of international and domestic tax reform. Net income per diluted share decreased by \$0.29 to \$4.98 per share in Fiscal 2020 as compared to Fiscal 2019, due to lower net income, partially offset by lower weighted-average diluted shares outstanding during Fiscal 2020.

Net income during Fiscal 2020 reflected a one-time income tax benefit of \$122.9 million, or \$1.59 per diluted share, recorded in connection with the Swiss Tax Act and net income during Fiscal 2019 reflected TCJA enactment-related charges of \$27.6 million, or \$0.34 per diluted share. Our operating results during Fiscal 2020 and Fiscal 2019 were also negatively impacted by restructuring-related charges, impairment of assets (including an equity method investment), and certain other charges (including those related to COVID-19 business disruptions) totaling \$321.8 million and \$163.1 million, respectively, which had an after-tax effect of reducing net income by \$244.8 million, or \$3.17 per diluted share, and \$129.0 million, or \$1.58 per diluted share, respectively.

Financial Condition and Liquidity

We ended Fiscal 2020 in a net cash and investments position (cash and cash equivalents plus short-term and non-current investments, less total debt) of \$945.3 million, compared to \$1.343 billion as of the end of Fiscal 2019. The decrease in our net cash and investments position was primarily due to our use of cash to support Class A common stock repurchases of \$694.8 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through \$270.3 million in capital expenditures, and to make dividend payments of \$203.9 million, partially offset by our operating cash flows of \$754.6 million.

We generated \$754.6 million of cash from operations during Fiscal 2020, compared to \$783.8 million during Fiscal 2019. The decline in cash provided by operating activities was due to a decrease in net income before non-cash charges, partially offset by a net favorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year period.

Our equity decreased to \$2.693 billion as of March 28, 2020, compared to \$3.287 billion as of March 30, 2019, primarily due to our share repurchase activity, dividends declared, and cumulative adjustments from our adoption of new accounting standards, partially offset by our comprehensive income and the impact of stock-based compensation arrangements during Fiscal 2020.

Transactions and Trends Affecting Comparability of Results of Operations and Financial Condition

The comparability of our operating results for the three fiscal years presented herein has been affected by certain events, including:

- pretax charges incurred in connection with our restructuring plans, as well as certain other asset impairments and other charges, including those related to COVID-19 business disruptions, as summarized below (references to "Notes" are to the notes to the accompanying consolidated financial statements):

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Non-routine inventory charges ^(a)	\$ (159.5)	\$ (7.2)	\$ (7.6)
Restructuring and other charges (see Note 9)	(67.2)	(130.1)	(108.0)
COVID-19-related bad debt expense ^(b)	(56.4)	—	—
Impairment of assets (see Note 8) ^(c)	(38.7)	(25.8)	(50.0)
Total charges	<u>\$ (321.8)</u>	<u>\$ (163.1)</u>	<u>\$ (165.6)</u>

(a) Non-routine inventory charges are recorded within cost of goods sold in the consolidated statements of operations. Fiscal 2020 includes non-routine inventory charges of \$157.3 million related to adverse impacts associated with COVID-19 business disruptions. All other non-routine inventory charges related to our restructuring plans (see Note 9).

(b) COVID-19-related bad debt expense is recorded within SG&A expenses in the consolidated statements of operations.

(c) Fiscal 2020 includes a \$7.1 million impairment of an equity method investment recorded within other income (expense), net in the consolidated statements of operations. All other impairment charges were recorded within impairment of assets in the consolidated statements of operations.

- adverse impacts related to COVID-19 and Hong Kong protest business disruptions, including, but not limited to, incremental inventory charges and bad debt expense recorded during Fiscal 2020, as summarized in the table above;
- a one-time benefit of \$122.9 million recorded within our income tax provision in the consolidated statements of operations during Fiscal 2020 in connection with the Swiss Tax Act, which decreased our effective tax rate by 3,760 basis points. See Note 10 to the accompanying consolidated financial statements for further discussion; and
- TCJA enactment-related charges of \$27.6 million and \$221.4 million recorded within the income tax provision in the consolidated statements of operations during Fiscal 2019 and Fiscal 2018, respectively, which increased our effective tax rate by 470 basis points and 4,520 basis points, respectively. See Note 10 to the accompanying consolidated financial statements for further discussion.

Since we are a global company, the comparability of our operating results reported in U.S. Dollars is also affected by foreign currency exchange rate fluctuations because the underlying currencies in which we transact change in value over time compared to the U.S. Dollar. Such fluctuations can have a significant effect on our reported results. As such, in addition to financial measures prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP"), our discussions often contain references to constant currency measures, which are calculated by translating current-year and prior-year reported amounts into comparable amounts using a single foreign exchange rate for each currency. We present constant currency financial information, which is a non-U.S. GAAP financial measure, as a supplement to our reported operating results. We use constant currency information to provide a framework for assessing how our businesses performed excluding the effects of foreign currency exchange rate fluctuations. We believe this information is useful to investors for facilitating comparisons of operating results and better identifying trends in our businesses. The constant currency performance measures should be viewed in addition to, and not in lieu of or superior to, our operating performance measures calculated in accordance with U.S. GAAP. Reconciliations between this non-U.S. GAAP financial measure and the most directly comparable U.S. GAAP measure are included in the "Results of Operations" section where applicable.

Our discussion also includes reference to comparable store sales. Comparable store sales refer to the change in sales of our stores that have been open for at least 13 full fiscal months. Sales from our digital commerce sites are also included within comparable sales for those geographies that have been serviced by the related site for at least 13 full fiscal months. Sales for stores or digital commerce sites that are closed or shut down during the year are excluded from the calculation of comparable store sales. Sales for stores that are either relocated, enlarged (as defined by gross square footage expansion of 25% or greater), or generally closed for 30 or more consecutive days for renovation are also excluded from the calculation of comparable store sales until such stores have been operating in their new location or in their newly renovated state for at least 13 full fiscal months. All comparable store sales metrics are calculated on a constant currency basis.

Our "Results of Operations" discussion that follows includes the significant changes in operating results arising from these items affecting comparability. However, unusual items or transactions may occur in any period. Accordingly, investors and other financial statement users should consider the types of events and transactions that have affected operating trends.

RESULTS OF OPERATIONS

Fiscal 2020 Compared to Fiscal 2019

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions. All percentages shown in the below table and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Years Ended		\$ Change	% / bps Change
	March 28, 2020	March 30, 2019		
	(millions, except per share data)			
Net revenues	\$ 6,159.8	\$ 6,313.0	\$ (153.2)	(2.4%)
Cost of goods sold	(2,506.5)	(2,427.0)	(79.5)	3.3%
Gross profit	3,653.3	3,886.0	(232.7)	(6.0%)
<i>Gross profit as % of net revenues</i>	59.3%	61.6%		(230 bps)
Selling, general, and administrative expenses	(3,237.5)	(3,168.3)	(69.2)	2.2%
<i>SG&A expenses as % of net revenues</i>	52.6%	50.2%		240 bps
Impairment of assets	(31.6)	(25.8)	(5.8)	22.8%
Restructuring and other charges	(67.2)	(130.1)	62.9	(48.4%)
Operating income	317.0	561.8	(244.8)	(43.6%)
<i>Operating income as % of net revenues</i>	5.1%	8.9%		(380 bps)
Interest expense	(17.6)	(20.7)	3.1	(14.8%)
Interest income	34.4	40.8	(6.4)	(15.8%)
Other income (expense), net	(7.4)	0.6	(8.0)	NM
Income before income taxes	326.4	582.5	(256.1)	(44.0%)
Income tax benefit (provision)	57.9	(151.6)	209.5	NM
<i>Effective tax rate^(a)</i>	(17.7%)	26.0%		(4,370 bps)
Net income	<u>\$ 384.3</u>	<u>\$ 430.9</u>	<u>\$ (46.6)</u>	<u>(10.8%)</u>
Net income per common share:				
Basic	<u>\$ 5.07</u>	<u>\$ 5.35</u>	<u>\$ (0.28)</u>	<u>(5.2%)</u>
Diluted	<u>\$ 4.98</u>	<u>\$ 5.27</u>	<u>\$ (0.29)</u>	<u>(5.5%)</u>

^(a) Effective tax rate is calculated by dividing the income tax benefit (provision) by income before income taxes.

NM Not meaningful.

Net Revenues. Net revenues decreased by \$153.2 million, or 2.4%, to \$6.160 billion in Fiscal 2020 as compared to Fiscal 2019, including net unfavorable foreign currency effects of \$77.1 million. On a constant currency basis, net revenues decreased by \$76.1 million, or 1.2%, reflecting adverse impacts related to COVID-19 and Hong Kong protest business disruptions.

The following table summarizes the percentage change in our Fiscal 2020 consolidated comparable store sales as compared to the prior fiscal year, inclusive of adverse impacts related to COVID-19 and Hong Kong protest business disruptions:

	% Change
Digital commerce comparable store sales	3%
Comparable store sales excluding digital commerce	(3%)
Total comparable store sales	(2%)

Our global average store count increased by 43 stores and concession shops during Fiscal 2020 compared with the prior fiscal year, largely driven by new openings in Asia and Europe. The following table details our retail store presence by segment as of the periods presented:

	March 28, 2020	March 30, 2019
Freestanding Stores:		
North America	230	224
Europe	94	87
Asia	132	115
Other non-reportable segments	74	75
Total freestanding stores	530	501
Concession Shops:		
North America	2	2
Europe	29	29
Asia	619	622
Other non-reportable segments	4	5
Total concession shops	654	658
Total stores	1,184	1,159

In addition to our stores, we sell products online in North America and Europe through our various digital commerce sites, which include www.RalphLauren.com and www.ClubMonaco.com, among others, as well as through our Polo mobile app in North America and the United Kingdom. In Asia, we sell products online through our digital commerce site, www.RalphLauren.cn, which launched in September 2018, as well as through various third-party digital partner commerce sites.

Net revenues for our segments, as well as a discussion of the changes in each reportable segment's net revenues from the prior fiscal year, are provided below:

	Fiscal Years Ended		\$ Change		Foreign Exchange Impact	\$ Change		% Change	
	March 28, 2020	March 30, 2019	As Reported	As Reported		Constant Currency	As Reported	Constant Currency	
(millions)									
Net Revenues:									
North America	\$ 3,140.5	\$ 3,202.9	\$ (62.4)	\$ (1.4)	\$ (61.0)	(2.0%)	(1.9%)		
Europe	1,632.2	1,683.0	(50.8)	(63.6)	12.8	(3.0%)	0.8%		
Asia	1,017.2	1,041.0	(23.8)	(11.6)	(12.2)	(2.3%)	(1.2%)		
Other non-reportable segments	369.9	386.1	(16.2)	(0.5)	(15.7)	(4.2%)	(4.1%)		
Total net revenues	\$ 6,159.8	\$ 6,313.0	\$ (153.2)	\$ (77.1)	\$ (76.1)	(2.4%)	(1.2%)		

North America net revenues — Net revenues decreased by \$62.4 million, or 2.0%, during Fiscal 2020 as compared to Fiscal 2019, including net unfavorable foreign currency effects of \$1.4 million. On a constant currency basis, net revenues decreased by \$61.0 million, or 1.9%, reflecting adverse impacts related to COVID-19 business disruptions.

The \$62.4 million net decline in North America net revenues was driven by:

- a \$101.2 million net decrease related to our North America wholesale business, largely driven by weaker demand and challenging department store traffic trends, as well as COVID-19 business disruptions.

This decrease was partially offset by:

- an increase of \$38.8 million related to our North America retail business, inclusive of net unfavorable foreign currency effects of \$0.7 million and the adverse impact of COVID-19 business disruptions. On a constant currency basis, net revenues increased by \$39.5 million driven by an increase of \$47.1 million in non-comparable store sales, partially offset by a decrease of \$7.6 million in comparable store sales. The following table summarizes the percentage change

in comparable store sales related to our North America retail business, inclusive of adverse impacts related to COVID-19 business disruptions:

	<u>% Change</u>
Digital commerce comparable store sales	1%
Comparable store sales excluding digital commerce	(1%)
Total comparable store sales	—%

Europe net revenues — Net revenues decreased by \$50.8 million, or 3.0%, during Fiscal 2020 as compared to Fiscal 2019, including net unfavorable foreign currency effects of \$63.6 million. On a constant currency basis, net revenues increased by \$12.8 million, or 0.8%, despite adverse impacts related to COVID-19 business disruptions.

The \$50.8 million net decline in Europe net revenues was driven by:

- a \$44.3 million net decrease related to our Europe wholesale business driven by net unfavorable foreign currency effects of \$32.3 million and COVID-19 business disruptions, partially offset by stronger demand prior to the COVID-19 pandemic; and
- a \$6.5 million net decrease related to our Europe retail business, inclusive of net unfavorable foreign currency effects of \$31.3 million and the adverse impact of COVID-19 business disruptions. On a constant currency basis, net revenues increased by \$24.8 million driven by an increase of \$32.4 million in non-comparable store sales, partially offset by a decrease of \$7.6 million in comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Europe retail business, inclusive of adverse impacts related to COVID-19 business disruptions:

	<u>% Change</u>
Digital commerce comparable store sales	11%
Comparable store sales excluding digital commerce	(2%)
Total comparable store sales	(1%)

Asia net revenues — Net revenues decreased by \$23.8 million, or 2.3%, during Fiscal 2020 as compared to Fiscal 2019, including net unfavorable foreign currency effects of \$11.6 million. On a constant currency basis, net revenues decreased by \$12.2 million, or 1.2%, reflecting estimated adverse impacts related to COVID-19 and Hong Kong protest business disruptions.

The \$23.8 million net decline in Asia net revenues was driven by:

- a \$21.9 million net decrease related to our Asia retail business, inclusive of net unfavorable foreign currency effects of \$10.7 million and the adverse impacts of COVID-19 and Hong Kong protest business disruptions. On a constant currency basis, net revenues decreased by \$11.2 million, reflecting a decrease of \$36.4 million in comparable store sales, partially offset by an increase of \$25.2 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Asia retail business, inclusive of adverse impacts related to COVID-19 and Hong Kong protest business disruptions:

	<u>% Change</u>
Digital commerce comparable store sales	22%
Comparable store sales excluding digital commerce	(5%)
Total comparable store sales	(4%)

- a \$1.9 million net decrease related to our Asia wholesale business, inclusive of net unfavorable foreign currency effects of \$0.9 million and the adverse impact of COVID-19 business disruptions.

Gross Profit. Gross profit decreased by \$232.7 million, or 6.0%, to \$3.653 billion in Fiscal 2020, including net unfavorable foreign currency effects of \$53.7 million. The decline in gross profit reflects adverse impacts related to COVID-19 and Hong Kong protest business disruptions, including incremental inventory charges of \$157.3 million. Gross profit during Fiscal 2020 and Fiscal 2019 also reflected inventory charges of \$2.2 million and \$7.2 million, respectively, recorded in connection with our restructuring plans. Gross profit as a percentage of net revenues decreased to 59.3% in Fiscal 2020 from 61.6% in Fiscal 2019.

The 230 basis point decline was primarily driven by higher inventory charges and deleverage on lower net revenues, partially offset by favorable geographic, channel, and product mix, improved pricing, and lower levels of promotional activity.

Gross profit as a percentage of net revenues is dependent upon a variety of factors, including changes in the relative sales mix among distribution channels, changes in the mix of products sold, the timing and level of promotional activities, foreign currency exchange rates, and fluctuations in material costs. These factors, among others, may cause gross profit as a percentage of net revenues to fluctuate from year to year.

Selling, General, and Administrative Expenses. SG&A expenses include compensation and benefits, advertising and marketing, rent and occupancy, distribution, information technology, legal, depreciation and amortization, bad debt, and other selling and administrative costs. SG&A expenses increased by \$69.2 million, or 2.2%, to \$3.238 billion in Fiscal 2020, including net favorable foreign currency effect of \$35.5 million. The increase in SG&A expenses reflects net adverse impacts related to COVID-19 and Hong Kong protest business disruptions, including incremental bad debt expense of \$56.4 million. SG&A expenses as a percentage of net revenues increased to 52.6% in Fiscal 2020 from 50.2% in Fiscal 2019. The 240 basis point increase was primarily due to operating deleverage on lower net revenues and higher bad debt expense, both primarily attributable to the COVID-19 pandemic, as well as the unfavorable impact attributable to geographic and channel mix, as a greater portion of our revenue was generated by our retail businesses (which typically carry higher operating expense margins).

The \$69.2 million net increase in SG&A expenses was driven by:

	Fiscal 2020 Compared to Fiscal 2019	
	(millions)	
SG&A expense category:		
Bad debt expense	\$	58.3
Compensation-related expenses		29.4
Marketing and advertising expenses		5.2
Staff-related expenses		(21.4)
Rent and occupancy expenses		(14.3)
Other		12.0
Total net increase in SG&A expenses	\$	<u>69.2</u>

In response to the COVID-19 pandemic, we are carefully managing our expense structure across all areas of spend, including temporarily postponing non-critical capital build-out and other investments and activities. However, we remain committed to spending on key strategic initiatives including marketing, digital, expanding and renovating our global retail stores and concession shops, and investing in productivity-enhancing infrastructure. We expect to make these investments while continuing to manage our cost base with discipline.

Impairment of Assets. During Fiscal 2020 and Fiscal 2019, we recorded non-cash impairment charges of \$31.6 million and \$21.2 million, respectively, to write-down certain long-lived assets in connection with our restructuring plans and identification of underperforming stores. Additionally, as a result of our decision to sell our corporate jet in connection with our cost savings initiative, we recorded a non-cash impairment charge of \$4.6 million during Fiscal 2019 to reduce the carrying value of the asset held-for-sale to its estimated fair value, less costs to sell. See Note 8 to the accompanying consolidated financial statements.

Restructuring and Other Charges. During Fiscal 2020 and Fiscal 2019, we recorded restructuring charges of \$37.6 million and \$93.6 million, respectively, in connection with our restructuring plans, primarily consisting of severance and benefits costs, as well as a loss on sale of property during the prior fiscal year period. Additionally, during Fiscal 2020, we recorded other charges of \$29.6 million primarily related to the charitable donation of the net cash proceeds received from the sale of our corporate jet, and rent and occupancy costs associated with certain previously exited real estate locations for which the related lease agreements have not yet expired. During Fiscal 2019, we recorded other charges of \$36.5 million primarily related to our sabbatical leave program initiated during the fourth quarter of Fiscal 2019, depreciation expense associated with our former Polo store at 711 Fifth Avenue in New York City, and a customs audit. See Note 9 to the accompanying consolidated financial statements.

Operating Income. Operating income decreased by \$244.8 million, or 43.6%, to \$317.0 million in Fiscal 2020, including net unfavorable foreign currency effect of \$18.2 million. The decline in operating income reflects net adverse impacts related to COVID-19 and Hong Kong protest business disruptions, including total incremental inventory charges and bad debt expense of \$213.7 million, as previously discussed. Our operating results during Fiscal 2020 and Fiscal 2019 were also negatively impacted by restructuring-related charges, impairment of assets, and certain other charges totaling \$101.0 million and \$163.1 million, respectively, as previously discussed. Operating income as a percentage of net revenues decreased to 5.1% in Fiscal 2020 from 8.9% in Fiscal 2019. The 380 basis point decline was primarily driven by the decline in our gross margin and the increase in SG&A expenses as a percentage of net revenues, partially offset by lower restructuring-related charges recorded during Fiscal 2020 as compared to the prior fiscal year, all as previously discussed.

Operating income and margin for our segments, as well as a discussion of the changes in each reportable segment's operating margin from the prior fiscal year, are provided below:

	Fiscal Years Ended					
	March 28, 2020		March 30, 2019		\$ Change	Margin Change
	Operating Income	Operating Margin	Operating Income	Operating Margin		
	(millions)		(millions)	(millions)		
Segment:						
North America	\$ 486.6	15.5%	\$ 682.8	21.3%	\$ (196.2)	(580 bps)
Europe	336.3	20.6%	392.8	23.3%	(56.5)	(270 bps)
Asia	124.8	12.3%	161.0	15.5%	(36.2)	(320 bps)
Other non-reportable segments	85.2	23.0%	118.7	30.7%	(33.5)	(770 bps)
	1,032.9		1,355.3		(322.4)	
Unallocated corporate expenses	(648.7)		(663.4)		14.7	
Unallocated restructuring and other charges	(67.2)		(130.1)		62.9	
Total operating income	\$ 317.0	5.1%	\$ 561.8	8.9%	\$ (244.8)	(380 bps)

North America operating margin declined by 580 basis points, primarily due to the unfavorable impact of 440 basis points related to incremental inventory charges and bad debt expense recorded in connection with COVID-19 business disruptions. The remaining 140 basis point decline largely related to adverse market conditions driven by the COVID-19 pandemic.

Europe operating margin declined by 270 basis points, primarily due to the net unfavorable impact of 210 basis points related to incremental inventory charges and bad debt expense recorded in connection with COVID-19 business disruptions, partially offset by lower non-cash charges recorded in connection with our restructuring plans during Fiscal 2020 as compared to the prior fiscal year. The decline in operating margin also reflected a 40 basis point decline largely related to adverse market conditions driven by the COVID-19 pandemic, as well as a 20 basis point decline related unfavorable foreign currency.

Asia operating margin declined by 320 basis points, primarily due to the unfavorable impact of 160 basis points related to incremental inventory charges and bad debt expense recorded in connection with COVID-19 business disruptions. The remaining 160 basis point decline largely related to adverse market conditions driven by the COVID-19 pandemic and Hong Kong protests.

Unallocated corporate expenses decreased by \$14.7 million to \$648.7 million in Fiscal 2020. The decline in unallocated corporate expenses was due to lower compensation-related expenses of \$11.5 million, lower staff-related expenses of \$8.8 million, lower consulting fees of \$6.7 million, and lower marketing and advertising expenses of \$5.9 million, partially offset by lower intercompany sourcing commission income of \$10.2 million (which is offset at the segment level and eliminates in consolidation) and higher other expenses of \$8.0 million.

Unallocated restructuring and other charges decreased by \$62.9 million to \$67.2 million in Fiscal 2020, as previously discussed above and in Note 9 to the accompanying consolidated financial statements.

Non-operating Income (Expense), Net. Non-operating income (expense), net is comprised of interest expense, interest income, and other income (expense), net, which includes foreign currency gains (losses), equity in income (losses) from our equity-method investees, and other non-operating expenses. During Fiscal 2020, we reported non-operating income, net, of \$9.4 million, as compared to \$20.7 million in Fiscal 2019. The \$11.3 million decline was primarily driven by:

- an \$8.0 million increase in other expense, net, driven by a \$7.1 million impairment of an equity method investment. See Note 8 to the accompanying consolidated financial statements; and
- a \$6.4 million decrease in interest income driven by the lower balance of our investment portfolio, as well as lower interest rates in financial markets during Fiscal 2020 as compared to the prior fiscal year.

Income Tax Benefit (Provision). The income tax benefit (provision) represents federal, foreign, state and local income taxes. We reported an income tax benefit and effective tax rate of \$57.9 million and (17.7%), respectively, in Fiscal 2020, as compared to an income tax provision and effective tax rate of \$151.6 million and 26.0%, respectively, in Fiscal 2019. The \$209.5 million decline in the income tax provision was largely driven by lower pretax income primarily due to the adverse impacts of COVID-19 and Hong Kong protest business disruptions. The decline in our income provision also reflected a one-time benefit of \$122.9 million recorded in Fiscal 2020 in connection with the Swiss Tax Act, which lowered our effective tax rate by 3,760 basis points, as well as the absence of a \$27.6 million TCJA enactment-related charge recorded in the prior fiscal year, which negatively impacted our prior fiscal year effective tax rate by 470 basis points. In addition to this combined 4,230 basis point improvement related to tax reform impacts, the decline in our effective tax rate also reflected the net favorable impact of 140 basis points primarily attributable to other factors, including the tax impacts of earnings in lower taxed foreign jurisdictions versus the U.S. and favorable provision to tax return adjustments, partially offset by the unfavorable impact of additional income tax reserves associated with certain income tax audits. Our effective tax rate will change from period to period based on various factors including, but not limited to, the geographic mix of earnings, the timing and amount of foreign dividends, enacted tax legislation, state and local taxes, tax audit findings and settlements, and the interaction of various global tax strategies. See Note 10 to the accompanying consolidated financial statements for discussion regarding the Swiss Tax Act and TCJA.

Net Income. Net income decreased to \$384.3 million in Fiscal 2020, from \$430.9 million in Fiscal 2019. The \$46.6 million decline in net income was primarily due to the decrease in our operating income, partially offset by the decrease in our income tax provision, both as previously discussed. Net income during Fiscal 2020 and Fiscal 2019 reflected a one-time income tax benefit of \$122.9 million recorded in connection with Swiss tax reform and TCJA enactment-related charges of \$27.6 million, respectively, both as previously discussed. Our operating results during Fiscal 2020 and Fiscal 2019 were also negatively impacted by restructuring-related charges, impairment of assets (including an equity method investment), and certain other charges (including those related to COVID-19 business disruptions) totaling \$321.8 million and \$163.1 million, respectively, which had an after-tax effect of reducing net income by \$244.8 million and \$129.0 million, respectively.

Net Income per Diluted Share. Net income per diluted share decreased to \$4.98 in Fiscal 2020, from \$5.27 in Fiscal 2019. The \$0.29 per share decline was due to the lower level of net income, as previously discussed, partially offset by lower weighted-average diluted shares outstanding during Fiscal 2020 driven by our share repurchases during the last twelve months. Net income per diluted share in Fiscal 2020 and Fiscal 2019 were favorably impacted by \$1.59 per share as a result of a one-time income tax benefit recorded in connection with the Swiss Tax Act and negatively impacted by \$0.34 per share as a result of TCJA enactment-related charges, respectively, both as previously discussed. Net income per diluted share in Fiscal 2020 and Fiscal 2019 were also negatively impacted by \$3.17 per share and \$1.58 per share, respectively, as a result of restructuring-related charges, impairment of assets (including an equity method investment), and certain other charges (including those related to COVID-19 business disruptions), as previously discussed.

Fiscal 2019 Compared to Fiscal 2018

The following table summarizes our results of operations and expresses the percentage relationship to net revenues of certain financial statement captions. All percentages shown in the below table and the discussion that follows have been calculated using unrounded numbers.

	Fiscal Years Ended		\$ Change	% / bps Change
	March 30, 2019	March 31, 2018		
	(millions, except per share data)			
Net revenues	\$ 6,313.0	\$ 6,182.3	\$ 130.7	2.1%
Cost of goods sold	(2,427.0)	(2,430.6)	3.6	(0.1%)
Gross profit	3,886.0	3,751.7	134.3	3.6%
<i>Gross profit as % of net revenues</i>	61.6%	60.7%		90 bps
Selling, general, and administrative expenses	(3,168.3)	(3,095.5)	(72.8)	2.4%
<i>SG&A expenses as % of net revenues</i>	50.2%	50.1%		10 bps
Impairment of assets	(25.8)	(50.0)	24.2	(48.5%)
Restructuring and other charges	(130.1)	(108.0)	(22.1)	20.6%
Operating income	561.8	498.2	63.6	12.8%
<i>Operating income as % of net revenues</i>	8.9%	8.1%		80 bps
Interest expense	(20.7)	(18.2)	(2.5)	13.6%
Interest income	40.8	12.3	28.5	231.3%
Other income (expense), net	0.6	(3.1)	3.7	NM
Income before income taxes	582.5	489.2	93.3	19.1%
Income tax provision	(151.6)	(326.4)	174.8	(53.5%)
<i>Effective tax rate^(a)</i>	26.0%	66.7%		(4,070 bps)
Net income	\$ 430.9	\$ 162.8	\$ 268.1	164.6%
Net income per common share:				
Basic	\$ 5.35	\$ 1.99	\$ 3.36	168.8%
Diluted	\$ 5.27	\$ 1.97	\$ 3.30	167.5%

^(a) Effective tax rate is calculated by dividing the income tax provision by income before income taxes.

NM Not meaningful.

Net Revenues. Net revenues increased by \$130.7 million, or 2.1%, to \$6.313 billion in Fiscal 2019 as compared to Fiscal 2018, including net unfavorable foreign currency effects of \$42.0 million. On a constant currency basis, net revenues increased by \$172.7 million, or 2.8%.

The following table summarizes the percentage change in our Fiscal 2019 consolidated comparable store sales as compared to the prior fiscal year:

	% Change
Digital commerce comparable store sales	9%
Comparable store sales excluding digital commerce	—%
Total comparable store sales	1%

Our global average store count increased by 34 stores and concession shops during Fiscal 2019 compared with the prior fiscal year, largely driven by new openings in Asia. The following table details our retail store presence by segment as of the periods presented:

	March 30, 2019	March 31, 2018
Freestanding Stores:		
North America	224	215
Europe	87	81
Asia	115	105
Other non-reportable segments	75	71
Total freestanding stores	501	472
Concession Shops:		
North America	2	2
Europe	29	25
Asia	622	603
Other non-reportable segments	5	2
Total concession shops	658	632
Total stores	1,159	1,104

In addition to our stores, we sold products online in North America and Europe through our various digital commerce sites, which include www.RalphLauren.com and www.ClubMonaco.com, among others. In Asia, we sold products online through our digital commerce site, www.RalphLauren.cn, which launched in September 2018, as well as through various third-party digital partner commerce sites.

Net revenues for our segments, as well as a discussion of the changes in each reportable segment's net revenues from the prior fiscal year, are provided below:

	Fiscal Years Ended		\$ Change		Foreign Exchange Impact	\$ Change		% Change	
	March 30, 2019	March 31, 2018	As Reported	As Reported		Constant Currency	Constant Currency	As Reported	Constant Currency
(millions)									
Net Revenues:									
North America	\$ 3,202.9	\$ 3,231.0	\$ (28.1)	\$ (3.3)	\$ (24.8)	(0.9%)	(0.8%)		
Europe	1,683.0	1,608.3	74.7	(27.7)	102.4	4.6%	6.4%		
Asia	1,041.0	933.7	107.3	(10.9)	118.2	11.5%	12.7%		
Other non-reportable segments	386.1	409.3	(23.2)	(0.1)	(23.1)	(5.7%)	(5.7%)		
Total net revenues	\$ 6,313.0	\$ 6,182.3	\$ 130.7	\$ (42.0)	\$ 172.7	2.1%	2.8%		

North America net revenues — Net revenues decreased by \$28.1 million, or 0.9%, during Fiscal 2019 as compared to Fiscal 2018, including net unfavorable foreign currency effects of \$3.3 million. On a constant currency basis, net revenues decreased by \$24.8 million, or 0.8%.

The \$28.1 million net decline in North America net revenues was driven by a \$57.0 million net decrease related to our North America wholesale business, largely driven by a strategic reduction of shipments (including within the off-price channel) and points of distribution in connection with our long-term growth strategy.

This decline was partially offset by:

- a \$28.9 million net increase related to our North America retail business, inclusive of net unfavorable foreign currency effects of \$1.8 million. On a constant currency basis, net revenues increased by \$30.7 million driven by an increase of \$30.3 million in non-comparable store sales. The following table summarizes the percentage change in comparable store sales related to our North America retail business:

	<u>% Change</u>
Digital commerce comparable store sales	10%
Comparable store sales excluding digital commerce	(2%)
Total comparable store sales	—%

Europe net revenues — Net revenues increased by \$74.7 million, or 4.6%, during Fiscal 2019 as compared to Fiscal 2018, including net unfavorable foreign currency effects of \$27.7 million. On a constant currency basis, net revenues increased by \$102.4 million, or 6.4%.

The \$74.7 million net increase in Europe net revenues was driven by:

- a \$51.5 million net increase related to our Europe wholesale business largely driven by stronger demand, partially offset by net unfavorable foreign currency effects of \$18.2 million; and
- a \$23.2 million net increase related to our Europe retail business, inclusive of net unfavorable foreign currency effects of \$9.5 million. On a constant currency basis, net revenues increased by \$32.7 million driven by an increase of \$38.6 million in non-comparable store sales, partially offset by a decrease of \$5.9 million in comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Europe retail business:

	<u>% Change</u>
Digital commerce comparable store sales	6%
Comparable store sales excluding digital commerce	(1%)
Total comparable store sales	(1%)

Asia net revenues — Net revenues increased by \$107.3 million, or 11.5%, during Fiscal 2019 as compared to Fiscal 2018, including net unfavorable foreign currency effects of \$10.9 million. On a constant currency basis, net revenues increased by \$118.2 million, or 12.7%.

The \$107.3 million net increase in Asia net revenues was driven by:

- a \$95.6 million net increase related to our Asia retail business, inclusive of net unfavorable foreign currency effects of \$9.1 million. On a constant currency basis, net revenues increased by \$104.7 million, reflecting increases of \$65.3 million in non-comparable store sales and \$39.4 million in comparable store sales. The following table summarizes the percentage change in comparable store sales related to our Asia retail business:

	<u>% Change</u>
Digital commerce comparable store sales	51%
Comparable store sales excluding digital commerce	4%
Total comparable store sales	5%

- an \$11.7 million net increase related to our Asia wholesale business, primarily driven by our expansion in Japan, South Korea, and Southeast Asia.

Gross Profit. Gross profit increased by \$134.3 million, or 3.6%, to \$3.886 billion in Fiscal 2019. Gross profit during Fiscal 2019 and Fiscal 2018 reflected inventory charges of \$7.2 million and \$7.6 million, respectively, recorded in connection with our restructuring plans. The increase in gross profit also included a net unfavorable foreign currency effect of \$15.2 million. Gross profit as a percentage of net revenues increased to 61.6% in Fiscal 2019 from 60.7% in Fiscal 2018. The 90 basis point increase was primarily driven by improved pricing and lower levels of promotional activity in connection with our long-term growth strategy, and favorable product and geographic mix, partially offset by higher inventory reserves.

Selling, General, and Administrative Expenses. SG&A expenses increased by \$72.8 million, or 2.4%, to \$3.168 billion in Fiscal 2019. This increase included a net favorable foreign currency effect of \$17.4 million. SG&A expenses as a percentage of net revenues increased slightly to 50.2% in Fiscal 2019 from 50.1% in Fiscal 2018. The 10 basis point increase was primarily due to our increased marketing investment, new store expansion, and the unfavorable impact attributable to geographic and channel mix, as a greater portion of our revenue was generated by our retail businesses (which typically carry higher operating expense margins). These increases were partially offset by our operational discipline.

The \$72.8 million net increase in SG&A expenses was driven by:

	Fiscal 2019 Compared to Fiscal 2018
	(millions)
SG&A expense category:	
Marketing and advertising expenses	\$ 31.7
Compensation-related expenses	22.8
Selling-related expenses	20.0
Rent and occupancy expenses	15.0
Depreciation and amortization expense	(13.7)
Other	(3.0)
Total net increase in SG&A expenses	<u>\$ 72.8</u>

Impairment of Assets. During Fiscal 2019 and Fiscal 2018, we recorded non-cash impairment charges of \$21.2 million and \$41.2 million, respectively, to write-down certain long-lived assets related to our restructuring plans and identification of underperforming stores. Additionally, as a result of our decision to sell our corporate jet, we recorded a non-cash impairment charge of \$4.6 million during Fiscal 2019 to reduce the carrying value of the asset held-for-sale to its estimated fair value, less costs to sell. During Fiscal 2018, we also recorded a non-cash impairment charge of \$8.8 million to reduce the carrying value of a certain intangible asset to its estimated fair value as a result of a change in the planned usage of the asset. See Note 8 to the accompanying consolidated financial statements.

Restructuring and Other Charges. During Fiscal 2019 and Fiscal 2018, we recorded restructuring charges of \$93.6 million and \$79.2 million, respectively, in connection with our restructuring plans, primarily consisting of severance and benefits costs, and lease termination and store closure costs. In addition, during Fiscal 2019, we recorded other charges of \$36.5 million primarily related to our sabbatical leave program initiated during the fourth quarter of Fiscal 2019, depreciation expense associated with our former Polo store at 711 Fifth Avenue in New York City, and a customs audit. During Fiscal 2018, we recorded other net charges of \$28.8 million primarily related to depreciation expense associated with our former Polo store at 711 Fifth Avenue in New York City, a customs audit, the departure of Mr. Stefan Larsson, and the reversal of reserves associated with the settlement of certain non-income tax issues. See Note 9 to the accompanying consolidated financial statements.

Operating Income. Operating income increased by \$63.6 million, or 12.8%, to \$561.8 million in Fiscal 2019. Our operating results during Fiscal 2019 and Fiscal 2018 were negatively impacted by restructuring-related charges, impairment of assets, and certain other charges totaling \$163.1 million and \$165.6 million, respectively, as previously discussed. Foreign currency effects did not have a meaningful impact on operating income during Fiscal 2019. Operating income as a percentage of net revenues increased to 8.9% in Fiscal 2019 from 8.1% in Fiscal 2018. The 80 basis point increase was primarily driven by the increase in our gross profit margin, partially offset by the slight increase in SG&A expenses as a percentage of net revenues, all as previously discussed.

Operating income and margin for our segments, as well as a discussion of the changes in each reportable segment's operating margin from the prior fiscal year, are provided below:

	Fiscal Years Ended					
	March 30, 2019		March 31, 2018		\$ Change	Margin Change
	Operating Income	Operating Margin	Operating Income	Operating Margin		
	(millions)		(millions)	(millions)		
Segment:						
North America	\$ 682.8	21.3%	\$ 677.6	21.0%	\$ 5.2	30 bps
Europe	392.8	23.3%	361.0	22.4%	31.8	90 bps
Asia	161.0	15.5%	137.2	14.7%	23.8	80 bps
Other non-reportable segments	118.7	30.7%	103.2	25.2%	15.5	550 bps
	1,355.3		1,279.0		76.3	
Unallocated corporate expenses	(663.4)		(672.8)		9.4	
Unallocated restructuring and other charges	(130.1)		(108.0)		(22.1)	
Total operating income	\$ 561.8	8.9%	\$ 498.2	8.1%	\$ 63.6	80 bps

North America operating margin improved by 30 basis points, primarily due to the favorable impact of 50 basis points related to our wholesale business, largely driven by a decline in SG&A expenses as a percentage of net revenues and an increase in our gross profit margin. Partially offsetting this increase was 20 basis points attributable to unfavorable channel mix.

Europe operating margin improved by 90 basis points, primarily due to the favorable impacts of 80 basis points related to foreign currency effects and 60 basis points related to our retail business, largely driven by an increase in our gross profit margin. The increase in operating margin also reflected a favorable impact of 10 basis points related to channel mix. Partially offsetting these increases in our operating margin was a 40 basis point unfavorable impact related to higher non-cash charges recorded in connection with our restructuring plans during Fiscal 2019 as compared to the prior fiscal year, as well as a 20 basis point decline related to our wholesale business, largely driven by a decrease in our gross profit margin, partially offset by a decline in SG&A expenses as a percentage of net revenues.

Asia operating margin improved by 80 basis points, primarily due to the favorable impacts of 50 basis points related to our wholesale business and 30 basis points related to our retail business, both largely driven by a decline in SG&A expenses as a percentage of net revenues, partially offset by a decrease in our gross profit margin.

Unallocated corporate expenses decreased by \$9.4 million to \$663.4 million in Fiscal 2019, primarily due to lower impairment of asset charges of \$14.8 million and lower compensation-related expenses of \$8.4 million, partially offset by higher consulting fees of \$6.1 million, higher marketing and advertising expenses of \$5.1 million, and higher other expenses of \$2.6 million.

Unallocated restructuring and other charges increased by \$22.1 million to \$130.1 million in Fiscal 2019, as previously discussed above and in Note 9 to the accompanying consolidated financial statements.

Non-operating Income (Expense), Net. During Fiscal 2019, we reported non-operating income, net, of \$20.7 million, as compared to non-operating expense, net, of \$9.0 million in Fiscal 2018. The \$29.7 million improvement was primarily driven by higher interest income of \$28.5 million due to the increased balance of our investment portfolio, as well as a favorable shift to higher interest rate environments attributable to cash repatriations from our foreign subsidiaries.

Income Tax Provision. The income tax provision and effective tax rate in Fiscal 2019 were \$151.6 million and 26.0%, respectively, as compared to \$326.4 million and 66.7%, respectively, in Fiscal 2018. The \$174.8 million decline in the income tax provision was primarily due to lower TCJA enactment-related charges recorded during Fiscal 2019 as compared to the prior fiscal year, partially offset by the increase in pretax income. During Fiscal 2019 and Fiscal 2018, we recorded TCJA enactment-related charges of \$27.6 million and \$221.4 million, respectively, which increased our effective tax rates by 470 basis points and 4,520 basis points, respectively. In addition to this 4,050 basis point improvement attributable to lower TCJA enactment-related charges recorded, the decline in our effective tax rate also reflected the net favorable impact of 20 basis points due to other factors, including a net favorable change related to compensation-related adjustments, partially offset by the tax impact of the change in geographic

mix of our worldwide earnings. See Note 10 to the accompanying consolidated financial statements for discussion regarding the TCJA.

Net Income. Net income increased to \$430.9 million in Fiscal 2019, from \$162.8 million in Fiscal 2018. The \$268.1 million increase in net income was primarily due to the decrease in our income tax provision and the increases in operating income and interest income, all as previously discussed. Net income during Fiscal 2019 and Fiscal 2018 reflected TCJA enactment-related charges of \$27.6 million and \$221.4 million, respectively, as previously discussed. Our operating results during Fiscal 2019 and Fiscal 2018 were also negatively impacted by restructuring-related charges, impairment of assets, and certain other charges totaling \$163.1 million and \$165.6 million, respectively, which had an after-tax effect of reducing net income by \$129.0 million and \$113.3 million, respectively.

Net Income per Diluted Share. Net income per diluted share increased to \$5.27 in Fiscal 2019, from \$1.97 in Fiscal 2018. The \$3.30 per share increase was due to the higher level of net income, as previously discussed, and lower weighted-average diluted shares outstanding during Fiscal 2019 driven by our share repurchases during the last twelve months. Net income per diluted share in Fiscal 2019 and Fiscal 2018 were negatively impacted by \$0.34 per share and \$2.68 per share, respectively, as a result of TCJA enactment-related charges. Net income per diluted share in Fiscal 2019 and Fiscal 2018 were also negatively impacted by \$1.58 per share and \$1.38 per share, respectively, as a result of restructuring-related charges, impairment of assets, and certain other charges, as previously discussed.

FINANCIAL CONDITION AND LIQUIDITY

Financial Condition

The following table presents our financial condition as of March 28, 2020 and March 30, 2019.

	March 28, 2020	March 30, 2019	\$ Change
	(millions)		
Cash and cash equivalents	\$ 1,620.4	\$ 584.1	\$ 1,036.3
Short-term investments	495.9	1,403.4	(907.5)
Non-current investments ^(a)	—	44.9	(44.9)
Short-term debt ^(b)	(475.0)	—	(475.0)
Current portion of long-term debt ^(b)	(299.6)	—	(299.6)
Long-term debt ^(b)	(396.4)	(689.1)	292.7
Net cash and investments ^(c)	<u>\$ 945.3</u>	<u>\$ 1,343.3</u>	<u>\$ (398.0)</u>
Equity	<u>\$ 2,693.1</u>	<u>\$ 3,287.2</u>	<u>\$ (594.1)</u>

^(a) Recorded within other non-current assets in our consolidated balance sheets.

^(b) See Note 11 to the accompanying consolidated financial statements for discussion of the carrying values of our debt.

^(c) "Net cash and investments" is defined as cash and cash equivalents, plus short-term and non-current investments, less total debt.

The decrease in our net cash and investments position at March 28, 2020 as compared to March 30, 2019 was primarily due to our use of cash to support Class A common stock repurchases of \$694.8 million, including withholdings in satisfaction of tax obligations for stock-based compensation awards, to invest in our business through \$270.3 million in capital expenditures, and to make dividend payments of \$203.9 million, partially offset by our operating cash flows of \$754.6 million.

The decrease in equity was primarily attributable to our share repurchase activity, dividends declared, and cumulative adjustments from our adoption of new accounting standards, partially offset by our comprehensive income and the impact of stock-based compensation arrangements during Fiscal 2020.

Cash Flows

Fiscal 2020 Compared to Fiscal 2019

	Fiscal Years Ended		\$ Change
	March 28, 2020	March 30, 2019	
	(millions)		
Net cash provided by operating activities	\$ 754.6	\$ 783.8	\$ (29.2)
Net cash provided by (used in) investing activities	702.1	(879.3)	1,581.4
Net cash used in financing activities	(438.2)	(605.7)	167.5
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(15.2)	(27.8)	12.6
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ 1,003.3</u>	<u>\$ (729.0)</u>	<u>\$ 1,732.3</u>

Net Cash Provided by Operating Activities. Net cash provided by operating activities decreased to \$754.6 million during Fiscal 2020, from \$783.8 million during Fiscal 2019. The \$29.2 million net decline in cash provided by operating activities was due to a decrease in net income before non-cash charges, partially offset by a net favorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year. The net favorable change related to our operating assets and liabilities, including our working capital, was primarily driven by:

- a favorable change related to our inventories, largely driven by higher inventory charges primarily related to adverse impacts associated with COVID-19 business disruptions;
- a favorable change related to our prepaid expenses and other current assets, largely driven by the timing of cash payments; and
- a favorable change related to our accounts receivable, largely driven by lower wholesale sales during the fourth quarter of Fiscal 2020 as compared to the prior fiscal year driven by COVID-19 business disruptions, as well as the timing of cash receipts.

These increases related to our operating assets and liabilities were partially offset by:

- an unfavorable change related to our income tax receivables and payables, largely as a result of the absence of charges recorded during the prior fiscal year in connection with the TCJA's mandatory transition tax; and
- an unfavorable change related to our accrued liabilities driven by larger decreases in our bonus accrual and restructuring reserves as compared to the prior fiscal year, as well as the timing of cash payments.

Net Cash Provided by (Used in) Investing Activities. Net cash provided by investing activities was \$702.1 million during Fiscal 2020, as compared to net cash used in investing activities of \$879.3 million during Fiscal 2019. The \$1.581 billion net increase in cash provided by investing activities was primarily driven by:

- a \$1.624 billion increase in proceeds from sales and maturities of investments, less purchases of investments. During Fiscal 2020, we received net proceeds from sales and maturities of investments of \$950.7 million, as compared to making net investment purchases of \$673.3 million during Fiscal 2019; and
- a \$23.8 million decrease in payments made to settle net investment hedges.

These increases in cash provided by investing activities were partially offset by:

- a \$72.6 million increase in capital expenditures. During Fiscal 2020, we spent \$270.3 million on capital expenditures, as compared to \$197.7 million during Fiscal 2019. Our capital expenditures during Fiscal 2020 primarily related to new store openings, retail and department store renovations, enhancements to our information technology systems, and the consolidation of our corporate office footprint.

In response to the COVID-19 pandemic, we are temporarily postponing non-critical capital expenditures as a preemptive action to preserve cash and strengthen our liquidity. However, we remain committed to expanding and renovating our global store fleet and investing in our digital ecosystem.

Net Cash Used in Financing Activities. Net cash used in financing activities was \$438.2 million during Fiscal 2020, as compared to \$605.7 million during Fiscal 2019. The \$167.5 million net decrease in cash used in financing activities was primarily driven by:

- a \$386.8 million increase in cash proceeds from the issuance of debt, less debt repayments. During Fiscal 2020, we borrowed \$475.0 million under the Global Credit Facility as a preemptive action to preserve cash and strengthen our liquidity in response to the COVID-19 pandemic. During Fiscal 2019, we received \$398.1 million in proceeds from our issuance of 3.750% unsecured senior notes in August 2018, a portion of which was used to repay \$300.0 million of our 2.125% unsecured senior notes that matured in September 2018. Additionally, during Fiscal 2019 we repaid approximately \$10 million that had been borrowed under our credit facilities during Fiscal 2018.

This decrease in cash used in financing activities was partially offset by:

- a \$192.2 million increase in cash used to repurchase shares of our Class A common stock. During Fiscal 2020, we used \$650.3 million to repurchase shares of Class A common stock pursuant to our common stock repurchase program, and an additional \$44.5 million in shares of Class A common stock were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under our long-term stock incentive plans. On a comparative basis, during Fiscal 2019, \$470.0 million in shares of Class A common stock were repurchased and \$32.6 million in shares of Class A common stock were surrendered or withheld for taxes;
- a \$21.8 million decrease in proceeds from exercise of stock options; and
- a \$13.2 million increase in payments of dividends, driven by an increase to the quarterly cash dividend per share (as discussed within "Dividends" below). Dividends paid amounted to \$203.9 million and \$190.7 million during Fiscal 2020 and Fiscal 2019, respectively.

Fiscal 2019 Compared to Fiscal 2018

	Fiscal Years Ended		\$ Change
	March 30, 2019	March 31, 2018	
	(millions)		
Net cash provided by operating activities	\$ 783.8	\$ 975.1	\$ (191.3)
Net cash used in investing activities	(879.3)	(189.1)	(690.2)
Net cash used in financing activities	(605.7)	(197.5)	(408.2)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(27.8)	55.2	(83.0)
Net increase (decrease) in cash, cash equivalents, and restricted cash	<u>\$ (729.0)</u>	<u>\$ 643.7</u>	<u>\$ (1,372.7)</u>

Net Cash Provided by Operating Activities. Net cash provided by operating activities decreased to \$783.8 million during Fiscal 2019, from \$975.1 million during Fiscal 2018. The \$191.3 million net decline in cash provided by operating activities was due to a net unfavorable change related to our operating assets and liabilities, including our working capital, as compared to the prior fiscal year, partially offset by an increase in net income before non-cash charges. The net unfavorable change related to our operating assets and liabilities, including our working capital, was primarily driven by:

- a year-over-year increase in our inventory levels largely to support revenue growth, as well as the timing of inventory receipts;
- an unfavorable change related to our income tax payable, largely a result of the decrease in charges recorded in connection with the TCJA's mandatory transition tax as compared to the prior fiscal year;
- an unfavorable change related to accrued expenses and other current liabilities largely driven by fluctuations associated with our derivative instruments; and

- unfavorable changes related to our accounts receivable and prepaid expenses and other current assets, largely driven by the timing of cash receipts and payments, respectively.

Net Cash Used in Investing Activities. Net cash used in investing activities was \$879.3 million during Fiscal 2019, as compared to \$189.1 million during Fiscal 2018. The \$690.2 million net increase in cash used in investing activities was primarily driven by:

- a \$650.4 million increase in purchases of investments, less proceeds from sales and maturities of investments. During Fiscal 2019, we made net investment purchases of \$673.3 million, as compared to \$22.9 million during Fiscal 2018;
- a \$36.1 million increase in capital expenditures. During Fiscal 2019, we spent \$197.7 million on capital expenditures, as compared to \$161.6 million during Fiscal 2018. Our capital expenditures during Fiscal 2019 primarily related to new store openings, retail and department store renovations, and enhancements to our information technology systems; and
- a \$23.8 million increase in payments made to settle net investment hedges.

These increases in cash used in investing activities were partially offset by cash proceeds of \$20.0 million from the sale of one of our distribution centers in North America during Fiscal 2019.

Net Cash Used in Financing Activities. Net cash used in financing activities was \$605.7 million during Fiscal 2019, as compared to \$197.5 million during Fiscal 2018. The \$408.2 million net increase in cash used in financing activities was primarily driven by:

- a \$485.5 million increase in cash used to repurchase shares of our Class A common stock. During Fiscal 2019, we used \$470.0 million to repurchase shares of Class A common stock pursuant to our common stock repurchase program, and an additional \$32.6 million in shares of Class A common stock were surrendered or withheld in satisfaction of withholding taxes in connection with the vesting of awards under our long-term stock incentive plans. On a comparative basis, during Fiscal 2018, no shares of Class A common stock were repurchased and \$17.1 million in shares of Class A common stock were surrendered or withheld for taxes; and
- a \$28.3 million increase in payments of dividends, driven by an increase to the quarterly cash dividend per share. Dividends paid amounted to \$190.7 million and \$162.4 million during Fiscal 2019 and Fiscal 2018, respectively.

These increases in cash used in financing activities were partially offset by:

- a \$78.1 million increase in cash proceeds from the issuance of debt, less debt repayments. During Fiscal 2019, we received \$398.1 million in proceeds from our issuance of 3.750% unsecured senior notes in August 2018, a portion of which was used to repay \$300.0 million of our 2.125% unsecured senior notes that matured in September 2018. Additionally, during Fiscal 2019 we repaid approximately \$10 million that had been borrowed under our credit facilities during Fiscal 2018; and
- a \$21.7 million increase in proceeds from exercise of stock options.

Sources of Liquidity

Our primary sources of liquidity are the cash flows generated from our operations, our available cash and cash equivalents and short-term investments, availability under our credit facilities and commercial paper program, and other available financing options.

During Fiscal 2020, we generated \$754.6 million of net cash flows from our operations. As of March 28, 2020, we had \$2.116 billion in cash, cash equivalents, and short-term investments, of which \$587.9 million were held by our subsidiaries domiciled outside the U.S. We are not dependent on foreign cash to fund our domestic operations. Undistributed foreign earnings that were subject to the TCJA's one-time mandatory transition tax as of December 31, 2017 are not considered to be permanently reinvested and may be repatriated to the U.S. in the future with minimal or no additional U.S. taxation. We intend to permanently reinvest undistributed foreign earnings generated after December 31, 2017 that were not subject to the one-time mandatory transition tax. However, if our plans change and we choose to repatriate post-2017 earnings to the U.S. in the future, we would be subject to applicable U.S. and foreign taxes.

The following table presents our total availability, borrowings outstanding, and remaining availability under our credit facilities and Commercial Paper Program as of March 28, 2020:

<u>Description</u> ^(a)	March 28, 2020		
	Total Availability	Borrowings Outstanding	Remaining Availability
	(millions)		
Global Credit Facility and Commercial Paper Program ^(b)	\$ 500	\$ 484 ^(c)	\$ 16
Pan-Asia Credit Facilities	32	—	32

(a) As defined in Note 11 to the accompanying consolidated financial statements.

(b) Borrowings under the Commercial Paper Program are supported by the Global Credit Facility. Accordingly, we do not expect combined borrowings outstanding under the Commercial Paper Program and the Global Credit Facility to exceed \$500 million.

(c) Includes \$9.0 million of outstanding letters of credit for which we were contingently liable under the Global Credit Facility as of March 28, 2020.

We believe that the Global Credit Facility is adequately diversified with no undue concentration in any one financial institution. In particular, as of March 28, 2020, there were eight financial institutions participating in the Global Credit Facility, with no one participant maintaining a maximum commitment percentage in excess of 20%. In accordance with the terms of the agreement, we have the ability to expand our borrowing availability under the Global Credit Facility to \$1 billion through the full term of the facility, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. Further, in May 2020, we entered into a new credit facility with the same lenders that are parties to the Global Credit Facility, which provides for an additional \$500 million senior unsecured revolving line of credit and matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements.

Borrowings under the Pan-Asia Credit Facilities are guaranteed by the parent company and are granted at the sole discretion of the participating regional branches of JPMorgan Chase (the "Banks"), subject to availability of the Banks' funds and satisfaction of certain regulatory requirements. We have no reason to believe that the participating institutions will be unable to fulfill their obligations to provide financing in accordance with the terms of the Global Credit Facility and the Pan-Asia Credit Facilities in the event of our election to draw additional funds in the foreseeable future.

Our sources of liquidity are used to fund our ongoing cash requirements, including working capital requirements, global retail store and digital commerce expansion, construction and renovation of shop-within-shops, investment in infrastructure, including technology, acquisitions, joint ventures, payment of dividends, debt repayments, Class A common stock repurchases, settlement of contingent liabilities (including uncertain tax positions), and other corporate activities, including our restructuring actions. We believe that our existing sources of cash, the availability under our credit facilities, and our ability to access capital markets will be sufficient to support our operating, capital, and debt service requirements for the foreseeable future, the ongoing development of our businesses, and our plans for further business expansion. However, prolonged periods of adverse economic conditions or business disruptions in any of our key regions, or a combination thereof, such as our recent temporary store closures due to the COVID-19 pandemic, could impede our ability to pay our obligations as they become due or return value to our shareholders, as well as delay previously planned expenditures related to our operations.

See Note 11 to the accompanying consolidated financial statements for additional information relating to our credit facilities.

Debt and Covenant Compliance

In August 2015, we completed a registered public debt offering and issued \$300 million aggregate principal amount of unsecured senior notes due August 18, 2020, which bear interest at a fixed rate of 2.625%, payable semi-annually (the "2.625% Senior Notes"). In August 2018, we completed another registered public debt offering and issued an additional \$400 million aggregate principal amount of unsecured senior notes due September 15, 2025, which bear interest at a fixed rate of 3.750%, payable semi-annually (the "3.750% Senior Notes").

The indenture and supplemental indentures governing the 2.625% Senior Notes and 3.750% Senior Notes (as supplemented, the "Indenture") contain certain covenants that restrict our ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease, or convey all or substantially all of our property or assets to another party. However, the Indenture does not contain any financial covenants.

We have a credit facility that provides for a \$500 million senior unsecured revolving line of credit through August 12, 2024, also used to support the issuance of letters of credit and the maintenance of the Commercial Paper Program (the "Global Credit Facility"). Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and other currencies, including Euros, Hong Kong Dollars, and Japanese Yen. We have the ability to expand the borrowing availability under the Global Credit Facility to \$1 billion, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. Further, in May 2020, we entered into a new credit facility with the same lenders that are parties to the Global Credit Facility, which provides for an additional \$500 million senior unsecured revolving line of credit that matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit Facility.

In March 2020, we borrowed \$475.0 million under the Global Credit Facility as a preemptive action to preserve cash and strengthen our liquidity in response to the COVID-19 pandemic. These borrowings have been classified as short-term debt in our consolidated balance sheet as of March 28, 2020. We were also contingently liable for \$9.0 million of outstanding letters of credit, resulting in remaining availability under the Global Credit Facility of \$16.0 million as of March 28, 2020.

The Global Credit Facility contains a number of covenants, as described in Note 11 to the accompanying consolidated financial statements. As of March 28, 2020, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under our Global Credit Facility. The Pan-Asia Credit Facilities do not contain any financial covenants.

See Note 11 to the accompanying consolidated financial statements for additional information relating to our debt and covenant compliance.

Common Stock Repurchase Program

On May 13, 2019, our Board of Directors approved an expansion of our existing common stock repurchase program that allowed us to repurchase up to an additional \$600 million of Class A common stock. As of March 28, 2020, the remaining availability under our Class A common stock repurchase program was approximately \$580 million. Repurchases of shares of Class A common stock are subject to overall business and market conditions. Accordingly, as a result of current business disruptions related to the COVID-19 pandemic, we have temporarily suspended our common stock repurchase program as a preemptive action to preserve cash and strengthen our liquidity.

See Note 16 to the accompanying consolidated financial statements for additional information relating to our Class A common stock repurchase program.

Dividends

Since 2003, we have maintained a regular quarterly cash dividend program on our common stock. On May 13, 2019, our Board of Directors approved an increase to the quarterly cash dividend on our common stock from \$0.625 to \$0.6875 per share.

As a result of current business disruptions related to the COVID-19 pandemic, we have temporarily suspended our quarterly cash dividend program as a preemptive action to preserve cash and strengthen our liquidity. Any decision to declare and pay dividends in the future will be made at the discretion of our Board of Directors and will depend on our results of operations, cash requirements, financial condition, and other factors that the Board of Directors may deem relevant, including economic and market conditions.

See Note 16 to the accompanying consolidated financial statements for additional information relating to our quarterly cash dividend program.

Contractual and Other Obligations

Firm Commitments

The following table summarizes certain of our aggregate contractual obligations as of March 28, 2020, and the estimated timing and effect that such obligations are expected to have on our liquidity and cash flows in future periods. We expect to fund these firm commitments with operating cash flows generated in the normal course of business and, if necessary, through availability under our credit facilities or other accessible sources of financing.

	Fiscal 2021	Fiscal 2022-2023	Fiscal 2024-2025	Fiscal 2026 and Thereafter	Total
	(millions)				
Senior Notes	\$ 300.0	\$ —	\$ —	\$ 400.0	\$ 700.0
Borrowings under credit facilities	475.0	—	—	—	475.0
Interest payments on debt	23.1	30.0	30.0	7.5	90.6
Operating leases	323.6	618.0	466.0	615.7	2,023.3
Finance leases	16.0	44.9	44.6	153.8	259.3
Other lease commitments	5.3	21.4	26.2	66.4	119.3
Inventory purchase commitments	534.9	—	—	—	534.9
Mandatory transition tax payments	14.0	28.0	61.1	43.6	146.7
Other commitments	28.0	3.1	—	—	31.1
Total	\$ 1,719.9	\$ 745.4	\$ 627.9	\$ 1,287.0	\$ 4,380.2

The following is a description of our material, firmly committed obligations as of March 28, 2020:

- *Senior Notes* represent the principal amount of our outstanding 2.625% Senior Notes and 3.750% Senior Notes. Amounts do not include any fair value adjustments, call premiums, unamortized debt issuance costs, or interest payments (see below);
- *Borrowings under credit facilities* represents the principal amount outstanding under our Global Credit Facility. Amounts do not include any fair value adjustments, call premiums, unamortized debt issuance costs, or interest payments (see below);
- *Interest payments on debt* represent the semi-annual contractual interest payments due on our 2.625% Senior Notes and 3.750% Senior Notes and the interest payments due on the borrowings under our Global Credit Facility. Amounts do not include the impact of potential cash flows underlying our related swap contracts (see Note 13 to the accompanying consolidated financial statements for discussion of our swap contracts);
- *Lease obligations* represent fixed payments due over the lease term of our noncancelable leases of real estate and operating equipment, including rent, real estate taxes, insurance, common area maintenance fees, and/or certain other costs. For lease terms that have commenced, information has been presented separately for operating and finance leases. Other lease commitments relate to executed lease agreements for which the related lease terms have not yet commenced;
- *Inventory purchase commitments* represent our legally-binding agreements to purchase fixed or minimum quantities of goods at determinable prices;
- *Mandatory transition tax payments* represent our remaining tax obligation incurred in connection with the deemed repatriation of previously deferred foreign earnings pursuant to the TCJA (see Note 10 to the accompanying consolidated financial statements for discussion of the TCJA); and
- *Other commitments* primarily represent our legally-binding obligations under sponsorship, licensing, and other marketing and advertising agreements; information technology-related service agreements; and pension-related obligations.

Excluded from the above contractual obligations table is the non-current liability for unrecognized tax benefits of \$88.9 million as of March 28, 2020, as we cannot make a reliable estimate of the period in which the liability will be settled, if ever. The above table also excludes the following: (i) other than lease obligations and mandatory transition tax payments, amounts recorded in current liabilities in our consolidated balance sheet as of March 28, 2020, which will be paid within one year; and (ii) non-current liabilities that have no cash outflows associated with them (e.g., deferred income), or the cash outflows associated with them are uncertain or do not represent a "purchase obligation" as the term is used herein (e.g., deferred taxes, derivative financial instruments, and other miscellaneous items).

We also have certain contractual arrangements that would require us to make payments if certain events or circumstances occur. See Note 15 to the accompanying consolidated financial statements for a description of our contingent commitments not included in the above table.

Off-Balance Sheet Arrangements

In addition to the commitments included in the above table, our other off-balance sheet firm commitments relating to our outstanding letters of credit amounted to \$9.0 million as of March 28, 2020. We do not maintain any other off-balance sheet arrangements, transactions, obligations, or other relationships with unconsolidated entities that would be expected to have a material current or future effect on our consolidated financial statements.

MARKET RISK MANAGEMENT

As discussed in Note 13 to the accompanying consolidated financial statements, we are exposed to a variety of risks, including the impact of changes in currency exchange rates on foreign currency-denominated balances, certain anticipated cash flows of our international operations, and the value of reported net assets of our foreign operations, as well as changes in the fair value of our fixed-rate debt obligations relating to fluctuations in benchmark interest rates. Accordingly, in the normal course of business, we employ established policies and procedures to manage such risks, including the use of derivative financial instruments. We do not use derivatives for speculative or trading purposes.

Given our use of derivative instruments, we are exposed to the risk that the counterparties to such contracts will fail to meet their contractual obligations. To mitigate such counterparty credit risk, it is our policy to only enter into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. Our established policies and procedures for mitigating credit risk include ongoing review and assessment of the creditworthiness of our counterparties. We also enter into master netting arrangements with counterparties, when possible, to further mitigate credit risk. As a result of the above considerations, we do not believe that we are exposed to undue concentration of counterparty risk with respect to our derivative contracts as of March 28, 2020. However, we do have in aggregate \$56.6 million of derivative instruments in net asset positions with seven creditworthy financial institutions.

Foreign Currency Risk Management

We manage our exposure to changes in foreign currency exchange rates using forward foreign currency exchange and cross-currency swap contracts. Refer to Note 13 to the accompanying consolidated financial statements for a summary of the notional amounts and fair values of our outstanding forward foreign currency exchange and cross-currency swap contracts, as well as the impact on earnings and other comprehensive income of such instruments for the fiscal periods presented.

Forward Foreign Currency Exchange Contracts

We enter into forward foreign currency exchange contracts to mitigate risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, the settlement of foreign currency-denominated balances, and the translation of certain foreign operations' net assets into U.S. Dollars. As part of our overall strategy for managing the level of exposure to such exchange rate risk, relating primarily to the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi, we generally hedge a portion of our related exposures anticipated over the next twelve months using forward foreign currency exchange contracts with maturities of two months to one year to provide continuing coverage over the period of the respective exposure.

Our foreign exchange risk management activities are governed by established policies and procedures. These policies and procedures provide a framework that allows for the management of currency exposures while ensuring the activities are conducted within our established guidelines. Our policies include guidelines for the organizational structure of our risk management function and for internal controls over foreign exchange risk management activities, including, but not limited to, authorization levels,

transaction limits, and credit quality controls, as well as various measurements for monitoring compliance. We monitor foreign exchange risk using different techniques, including periodic review of market values and performance of sensitivity analyses.

Our forward foreign currency exchange contracts are recorded at fair value in our consolidated balance sheets. To the extent such contracts are designated as qualifying cash flow hedges of inventory transactions, related gains or losses are initially deferred in equity as a component of accumulated other comprehensive income ("AOCI") and are subsequently recognized within cost of goods sold in our consolidated statements of operations when the related inventory is sold.

Cross-Currency Swap Contracts

During our fiscal year ended April 2, 2016 ("Fiscal 2016"), we entered into two pay-floating rate, receive-floating rate cross-currency swaps with notional amounts of €280 million and €274 million which we designated as hedges of our net investment in certain of our European subsidiaries. The €280 million notional cross-currency swap, which was settled during the second quarter of Fiscal 2019, swapped the U.S. Dollar-denominated variable interest rate payments based on the 3-month London Interbank Offered Rate ("LIBOR") plus a fixed spread (as paid under the 2.125% Interest Rate Swap discussed below) for Euro-denominated variable interest rate payments based on the 3-month Euro Interbank Offered Rate ("EURIBOR") plus a fixed spread, which, in combination with the 2.125% Interest Rate Swap, economically converted our previously-outstanding \$300 million fixed-rate 2.125% Senior Notes obligation to a €280 million floating-rate Euro-denominated obligation. Similarly, the €274 million notional cross-currency swap, which matures on August 18, 2020, swaps the U.S. Dollar-denominated variable interest rate payments based on the 3-month LIBOR plus a fixed spread (as paid under the 2.625% Interest Rate Swap discussed below) for Euro-denominated variable interest rate payments based on the 3-month EURIBOR plus a fixed spread, which, in combination with the 2.625% Interest Rate Swap, economically converts our \$300 million fixed-rate 2.625% Senior Notes obligation to a €274 million floating-rate Euro-denominated obligation.

Additionally, in August 2018, we entered into pay-fixed rate, receive-fixed rate cross-currency swap contracts with an aggregate notional amount of €346 million which we designated as hedges of our net investment in certain of our European subsidiaries. These contracts, which mature on September 15, 2025, swap the U.S. Dollar-denominated fixed interest rate payments on our 3.750% Senior Notes for Euro-denominated 1.29% fixed interest rate payments, thereby economically converting our \$400 million fixed-rate 3.750% Senior Notes obligation to a €346 million fixed-rate 1.29% Euro-denominated obligation.

Sensitivity

We perform a sensitivity analysis to determine the effects that market risk exposures may have on the fair values of our forward foreign currency exchange and cross-currency swap contracts. In doing so, we assess the risk of loss in the fair values of these contracts that would result from hypothetical changes in foreign currency exchange rates. This analysis assumes a like movement by the foreign currencies in our hedge portfolio against the U.S. Dollar. As of March 28, 2020, a 10% appreciation or depreciation of the U.S. Dollar against the foreign currencies under contract would result in a net increase or decrease, respectively, in the fair value of our derivative portfolio of approximately \$123 million. This hypothetical net change in fair value should ultimately be largely offset by the net change in fair values of the underlying hedged items.

Interest Rate Risk Management

During Fiscal 2016, we entered into two pay-floating rate, receive-fixed rate interest rate swap contracts which we designated as hedges against changes in the respective fair values of our previously-outstanding fixed-rate 2.125% Senior Notes and our fixed-rate 2.625% Senior Notes attributed to changes in a benchmark interest rate. The interest rate swap related to the 2.125% Senior Notes (the "2.125% Interest Rate Swap"), which matured on September 26, 2018 concurrent with the maturity of the related debt, had a notional amount of \$300 million and swapped the fixed interest rate on the 2.125% Senior Notes for a variable interest rate based on 3-month LIBOR plus a fixed spread. The interest rate swap related to the 2.625% Senior Notes (the "2.625% Interest Rate Swap"), which matures on August 18, 2020 and also has a notional amount of \$300 million, swaps the fixed interest rate on the 2.625% Senior Notes for a variable interest rate based on 3-month LIBOR plus a fixed spread.

Sensitivity

As of March 28, 2020, we had no variable-rate debt outstanding. As such, our exposure to changes in interest rates primarily relates to changes in the fair values of our fixed-rate Senior Notes. As of March 28, 2020, the aggregate fair values of our Senior Notes were \$714.9 million. A 25-basis point increase or decrease in interest rates would decrease or increase, respectively, the aggregate fair values of our Senior Notes by approximately \$5 million based on certain simplifying assumptions, including an immediate across-the-board increase or decrease in the level of interest rates with no other subsequent changes for the remainder

of the period. Such potential increases or decreases in the fair value of our debt would only be realized if we were to retire all or a portion of the debt prior to its maturity.

Investment Risk Management

As of March 28, 2020, we had cash and cash equivalents on-hand of \$1.620 billion, consisting of deposits in interest bearing accounts, investments in money market deposit accounts, and investments in time deposits with original maturities of 90 days or less. Our other significant investments included \$495.9 million of short-term investments, consisting of investments in time deposits and commercial paper with original maturities greater than 90 days; and \$9.4 million of restricted cash held in escrow with certain banks as collateral, primarily to secure guarantees in connection with certain international tax matters and real estate leases.

We actively monitor our exposure to changes in the fair value of our global investment portfolio in accordance with our established policies and procedures, which include monitoring both general and issuer-specific economic conditions, as discussed in Note 3 to the accompanying consolidated financial statements. Our investment objectives include capital preservation, maintaining adequate liquidity, diversification to minimize liquidity and credit risk, and achievement of maximum returns within the guidelines set forth in our investment policy. See Note 13 to the accompanying consolidated financial statements for further detail of the composition of our investment portfolio as of March 28, 2020.

CRITICAL ACCOUNTING POLICIES

An accounting policy is considered to be critical if it is important to our results of operations, financial condition, and cash flows, and requires significant judgment and estimates on the part of management in its application. Our estimates are often based on complex judgments, assessments of probability, and assumptions that management believes to be reasonable, but that are inherently uncertain and unpredictable. It is also possible that other professionals, applying reasonable judgment to the same set of facts and circumstances, could develop and support a range of alternative estimated amounts. We believe that the following list represents our critical accounting policies. For a discussion of all of our significant accounting policies, including our critical accounting policies, see Note 3 to the accompanying consolidated financial statements.

Sales Reserves and Uncollectible Accounts

A significant area of judgment affecting reported revenue and net income involves estimating sales reserves, which represent the portion of gross revenues not expected to be realized. In particular, revenue related to our wholesale business is reduced by estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances. Revenue related to our retail business, including digital commerce sales, is also reduced by an estimate of returns.

In determining estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and cooperative advertising allowances, we analyze historical trends, actual and forecasted seasonal results, current economic and market conditions, retailer performance, and, in certain cases, contractual terms. Estimates for operational chargebacks are based on actual customer notifications of order fulfillment discrepancies and historical trends. We review and refine these estimates on a quarterly basis. Our historical estimates of these costs have not differed materially from actual results. However, unforeseen adverse future economic and market conditions, such as those resulting from disease pandemics and other catastrophic events, could result in our actual results differing materially from our estimates. A hypothetical 1% increase in our reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances as of March 28, 2020 would have decreased our Fiscal 2020 net revenues by approximately \$2 million.

Similarly, we evaluate our accounts receivable balances to determine if they will ultimately be collected. Significant judgments and estimates are involved in this evaluation, including an analysis of specific risks on a customer-by-customer basis for larger accounts (including consideration of their financial condition and ability to withstand prolonged periods of adverse economic conditions), a receivables aging analysis that determines the percentage of receivables that has historically been uncollected by aged category, and current economic and market conditions. Based on this information, we provide a reserve for the estimated amounts believed to be uncollectible. Although we believe that we have adequately provided for those risks as part of our bad debt reserve, a severe and prolonged adverse impact on our major customers' business operations, such as those resulting from business disruptions caused by disease pandemics and other catastrophic events, could have a corresponding material adverse effect on our net sales, cash flows, and/or financial condition. A hypothetical 1% increase in the level of our allowance for doubtful accounts as of March 28, 2020 would have increased our Fiscal 2020 SG&A expenses by approximately \$1 million.

See "Accounts Receivable" in Note 3 to the accompanying consolidated financial statements for an analysis of the activity in our sales reserves and allowance for doubtful accounts for each of the three fiscal years presented.

Inventories

We hold inventory that is sold through wholesale distribution channels to major department stores and specialty retail stores. We also hold retail inventory that is sold in our own stores and digital commerce sites directly to consumers. Substantially all of our inventories are comprised of finished goods, which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

The estimated net realizable value of inventory is determined based on an analysis of historical sales trends of our individual product lines, the impact of market trends and economic conditions, and a forecast of future demand, giving consideration to the value of current orders in-house for future sales of inventory, as well as plans to sell inventory through our factory stores, among other liquidation channels. Actual results may differ from estimates due to the quantity, quality, and mix of products in inventory, consumer and retailer preferences, and economic and market conditions. Reserves for inventory shrinkage, representing the risk of physical loss of inventory, are estimated based on historical experience and are adjusted based upon physical inventory counts. Our historical estimates of these costs and the related provisions have not differed materially from actual results. However, unforeseen adverse future economic and market conditions, such as those resulting from disease pandemics and other catastrophic events, could result in our actual results differing materially from our estimates.

A hypothetical 1% increase in the level of our inventory reserves as of March 28, 2020 would have decreased our Fiscal 2020 gross profit by approximately \$3 million.

Impairment of Goodwill and Other Intangible Assets

Goodwill and certain other intangible assets deemed to have indefinite useful lives are not amortized. Rather, goodwill and indefinite-lived intangible assets are assessed for impairment at least annually. Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their carrying values may not be fully recoverable.

We generally perform our annual goodwill impairment assessment using a qualitative approach to determine whether it is more likely than not that the fair value of a reporting unit is less than its respective carrying value. However, in order to reassess the fair values of our reporting units, we periodically perform a quantitative impairment analysis in lieu of using the qualitative approach.

Performance of the qualitative goodwill impairment assessment requires judgment in identifying and considering the significance of relevant key factors, events, and circumstances that affect the fair values of our reporting units. This requires consideration and assessment of external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as our actual and planned financial performance. We also give consideration to the difference between each reporting unit's fair value and carrying value as of the most recent date that a fair value measurement was performed. If the results of the qualitative assessment conclude that it is not more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed.

The quantitative goodwill impairment test involves comparing the fair value of a reporting unit with its carrying value, including goodwill. If the fair value of a reporting unit exceeds its carrying value, the reporting unit's goodwill is considered not to be impaired. However, if the carrying value of a reporting unit exceeds its fair value, an impairment loss is recorded in an amount equal to that excess. Any impairment charge recognized is limited to the amount of the respective reporting unit's allocated goodwill.

Determining the fair value of a reporting unit under the quantitative goodwill impairment test requires judgment and often involves the use of significant estimates and assumptions, including an assessment of external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as actual and planned financial performance. Similarly, estimates and assumptions are used when determining the fair values of other indefinite-lived intangible assets. These estimates and assumptions could have a significant impact on whether or not an impairment charge is recognized and the magnitude of any such charge. To assist management in the process of determining any potential goodwill impairment, we may review and consider appraisals from accredited independent valuation firms. Estimates of fair value are primarily determined using discounted cash flows, market comparisons, and recent transactions. These approaches involve significant estimates and assumptions, including projected future cash flows (including timing), discount rates reflecting the risks inherent in those future cash flows, perpetual growth rates, and selection of appropriate market comparable metrics and transactions.

We performed our annual goodwill impairment assessment as of the beginning of the second quarter of Fiscal 2020 using the qualitative approach discussed above, while giving consideration to our then-most recent quantitative goodwill impairment test (the results of which indicated that the fair values of our reporting units with allocated goodwill significantly exceeded their respective carrying values). Based on the results of the qualitative impairment assessment performed, we concluded that it is more likely than not that the fair values of these reporting units significantly exceeded their respective carrying values and there were no reporting units at risk of impairment.

Subsequent to performing our Fiscal 2020 annual goodwill impairment assessment, we determined that indicators of impairment were present during the fourth quarter of Fiscal 2020 as a result of adverse business disruptions related to the COVID-19 pandemic, including the temporary closure of our stores in North America, Europe, and Asia. As a result, we performed an interim assessment of the recoverability of goodwill assigned to our reporting units using a quantitative approach as of March 28, 2020. The estimated fair values of our reporting units were determined with the assistance of an independent third-party valuation firm using discounted cash flows and market comparisons. Based on the results of the quantitative impairment assessment, we concluded that the fair values of our reporting units significantly exceeded their respective carrying values and were not at risk of impairment. No goodwill impairment charges were recorded during any of the fiscal years presented. See Note 12 to the accompanying consolidated financial statements for further discussion.

In evaluating finite-lived intangible assets for recoverability, we use our best estimate of future cash flows expected to result from the use of the asset and its eventual disposition where probable. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions.

During Fiscal 2018, we recorded a non-cash impairment charge of \$8.8 million as a result of a change in the planned usage of a certain intangible asset to reduce the value of the intangible asset to its estimated fair value. There were no other finite-lived intangible asset impairment charges recorded during any of the fiscal periods presented. See Note 8 to the accompanying consolidated financial statements for further discussion.

It is possible that our conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) our businesses do not perform as projected, (ii) overall economic conditions in future years vary from current assumptions, (iii) business conditions or strategies change from our current assumptions, or (iv) the identification of our reporting units change, among other factors. Such changes could result in a future impairment charge of goodwill or other intangible assets, which could have a material adverse effect on our consolidated financial position or results of operations.

Impairment of Other Long-Lived Assets

Property and equipment and lease-related right-of-use ("ROU") assets, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. In evaluating long-lived assets for recoverability, we use our best estimate of future cash flows expected to result from the use of the asset (including any potential sublease income for lease-related ROU assets) and its eventual disposition, where applicable. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions. Assets to be disposed of and for which there is a committed plan of disposal (commonly referred to as assets held-for-sale) are reported at the lower of carrying value or fair value, less costs to sell.

In determining future cash flows, we take various factors into account, including changes in merchandising strategy, the emphasis on retail store cost controls, the effects of macroeconomic trends such as consumer spending, and the impacts of more experienced retail store managers and increased local advertising. Since the determination of future cash flows is an estimate of future performance, future impairments may arise in the event that future cash flows do not meet expectations. For example, unforeseen adverse future economic and market conditions, such as those resulting from disease pandemics and other catastrophic events, could negatively impact consumer behavior, spending levels, and/or shopping preferences and result in actual results differing from our estimates. Additionally, we may review and consider appraisals from accredited independent valuation firms to determine the fair value of long-lived assets, where applicable.

During Fiscal 2020, Fiscal 2019, and Fiscal 2018, we recorded non-cash impairment charges of \$38.7 million, \$21.2 million, and \$41.2 million, respectively, to write-down the carrying values of certain long-lived assets based upon their assumed fair values. Additionally, during Fiscal 2019, we recorded a non-cash charge of \$4.6 million to reduce the carrying value of a certain asset held-for-sale to its estimated fair value, less costs to sell. See Note 8 to the accompanying consolidated financial statements for further discussion.

Income Taxes

In determining our income tax provision for financial reporting purposes, we establish a reserve for uncertain tax positions. If we consider that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, we recognize the tax benefit. We measure the tax benefit by determining the largest amount that is greater than 50% likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. These assessments can be complex and require significant judgment, and we often obtain assistance from external advisors. To the extent that our estimates change or the final tax outcome of these matters is different from the amounts recorded, such differences will impact the income tax provision in the period in which such determinations are made. If the initial assessment of a position fails to result in the recognition of a tax benefit, we will recognize the tax benefit if (i) there are changes in tax law or analogous case law that sufficiently raise the likelihood of prevailing on the technical merits of the position to more likely than not; (ii) the statute of limitations expires; or (iii) there is a completion of an audit resulting in a settlement of that tax year with the appropriate agency.

Deferred income taxes reflect the tax effect of certain net operating losses, capital losses, general business credit carryforwards, and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates. Valuation allowances are established when management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. Tax valuation allowances are analyzed periodically by assessing the adequacy of future expected taxable income, which typically involves the use of significant estimates. Such allowances are adjusted as events occur, or circumstances change, that warrant adjustments to those balances.

See Note 10 to the accompanying consolidated financial statements for further discussion of income taxes.

Contingencies

We are periodically exposed to various contingencies in the ordinary course of conducting our business, including certain litigation, alleged information system security breaches, contractual disputes, employee relation matters, various tax or other governmental audits, and trademark and intellectual property matters and disputes. We record a liability for such contingencies to the extent that we conclude their occurrence is probable and the related losses are estimable. In addition, if it is reasonably possible that an unfavorable settlement of a contingency could exceed the established liability, we disclose the estimated impact on our liquidity, financial condition, and results of operations, if practicable. Management considers many factors in making these assessments. As the ultimate resolution of contingencies is inherently unpredictable, these assessments can involve a series of complex judgments about future events including, but not limited to, court rulings, negotiations between affected parties, and governmental actions. As a result, the accounting for loss contingencies relies heavily on management's judgment in developing the related estimates and assumptions.

Stock-Based Compensation

We expense all stock-based compensation awarded to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for forfeitures which are estimated based on an analysis of historical experience and expected future trends.

Restricted Stock and Restricted Stock Units ("RSUs")

We have granted restricted shares of our Class A common stock to our non-employee directors and grant service-based RSUs to certain of our senior executives and other employees, as well as to our non-employee directors. In addition, we grant RSUs with performance-based and market-based vesting conditions to such senior executives and other key employees.

The fair values of our restricted stock, service-based RSU, and performance-based RSU awards are measured based on the fair value of our Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. Related compensation expense for performance-based RSUs is recognized over the employees' requisite service period, to the extent that our attainment of performance goals (upon which vesting is dependent) is deemed probable, and involves judgment as to expectations surrounding our achievement of certain defined operating performance metrics.

The fair value of our market-based RSU awards, for which vesting is dependent upon total shareholder return ("TSR") of our Class A common stock over a three-year performance period relative to that of a pre-established peer group, is measured on the grant date based on estimated projections of our relative TSR over the performance period. These estimates are made using a Monte Carlo simulation, which models multiple stock price paths of our Class A common stock and that of the peer group to evaluate and determine our ultimate expected relative TSR performance ranking. Related compensation expense, net of estimated forfeitures, is recorded regardless of whether, and the extent to which, the market condition is ultimately satisfied. See Note 18 to the accompanying consolidated financial statements for further discussion.

Stock Options

Stock options have been granted to employees and non-employee directors with exercise prices equal to the fair market value of our Class A common stock on the date of grant. We use the Black-Scholes option-pricing model to estimate the grant date fair value of stock options, which requires the use of both subjective and objective assumptions. Certain key assumptions involve estimating future uncertain events. The key factors influencing the estimation process include the expected term of the option, expected volatility of our stock price, our expected dividend yield, and the risk-free interest rate, among others. Generally, once stock option values are determined, accounting practices do not permit them to be changed, even if the estimates used are different from actual results.

No stock options were granted during any of the fiscal years presented. See Note 18 to the accompanying consolidated financial statements for further discussion.

Sensitivity

The assumptions used in calculating the grant date fair values of our stock-based compensation awards represent our best estimates. In addition, projecting the achievement level of certain performance-based awards, as well as estimating the number of awards expected to be forfeited, requires judgment. If actual results or forfeitures differ significantly from our estimates and assumptions, or if assumptions used to estimate the grant date fair value of future stock-based award grants are significantly changed, stock-based compensation expense and, therefore, our results of operations could be materially impacted. A hypothetical 10% change in our Fiscal 2020 stock-based compensation expense would have affected net income by approximately \$9 million.

RECENTLY ISSUED ACCOUNTING STANDARDS

See Note 4 to the accompanying consolidated financial statements for a description of certain recently issued accounting standards which have impacted our consolidated financial statements, or may impact our consolidated financial statements in future reporting periods.

Item 7A. *Quantitative and Qualitative Disclosures about Market Risk.*

For a discussion of our exposure to market risk, see "Market Risk Management" in Item 7 included elsewhere in this Annual Report on Form 10-K.

Item 8. *Financial Statements and Supplementary Data.*

See the "Index to Consolidated Financial Statements" appearing at the end of this Annual Report on Form 10-K.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.*

Not applicable.

Item 9A. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are the controls and other procedures of an issuer that are designed to provide reasonable assurance that information required to be disclosed by the issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized, and reported within the time period specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that material information required to be disclosed by an issuer in the reports that it files or submits under the Securities Exchange Act of 1934 is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

We have evaluated, under the supervision and with the participation of management, including our principal executive and principal financial officers, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as of the end of the fiscal year covered by this annual report. Based on that evaluation, our principal executive and principal financial officers have concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level, as of the fiscal year-end covered by this Annual Report on Form 10-K.

(b) Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Securities Exchange Act Rule 13a-15(f). Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with U.S. Generally Accepted Accounting Principles. Internal control over financial reporting includes maintaining records that in reasonable detail accurately and fairly reflect our transactions; providing reasonable assurance that transactions are recorded as necessary for preparation of our financial statements; providing reasonable assurance that receipts and expenditures of the Company's assets are made in accordance with management authorization; and providing reasonable assurance that unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on our financial statements would be prevented or detected on a timely basis. Because of its inherent limitations, internal control over financial reporting is not intended to provide absolute assurance that a misstatement of our financial statements would be prevented or detected. Further, the evaluation of the effectiveness of internal control over financial reporting was made as of a specific date, and continued effectiveness in future periods is subject to the risks that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies and procedures may decline.

Under the supervision and with the participation of management, including our principal executive and principal financial officers, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of the end of the fiscal year covered by this report based on the framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control-Integrated Framework (2013 Framework). Based on this evaluation, management concluded that the Company's internal controls over financial reporting were effective at the reasonable assurance level as of the fiscal year-end covered by this Annual Report on Form 10-K.

Ernst & Young LLP, the Company's independent registered public accounting firm, has issued an attestation report on the Company's internal control over financial reporting as included elsewhere herein.

(c) Changes in Internal Controls over Financial Reporting

Except as discussed below, there has been no change in our internal control over financial reporting during the fourth quarter of Fiscal 2020 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

In addition to the changes discussed below, we have experienced varying degrees of business disruptions related to the COVID-19 pandemic, including periods of closure of our stores, distribution centers, and corporate facilities beginning during the fourth quarter of Fiscal 2020, as described within "*Recent Developments.*" In response to the COVID-19 pandemic, we have taken various preemptive actions to preserve cash and strengthen our liquidity, including temporarily furloughing and/or reducing work hours for a significant portion of both our store and corporate employees, with those corporate employees not furloughed in affected regions working remotely. Despite such actions, we have not experienced any material changes to our internal controls over financial reporting. We will continue to evaluate and monitor the impact of the COVID-19 pandemic on our internal controls. See Item 1A — "*Risk Factors — Infectious disease outbreaks, such as the recent COVID-19 pandemic, could have a material adverse effect on our business*" for additional discussion regarding risks to our business associated with the COVID-19 pandemic.

Leases

In connection with our adoption of ASU 2016-02 as of the beginning of the first quarter of Fiscal 2020, changes were made to certain lease-related processes and control activities, including information systems, in order to monitor and maintain appropriate controls over financial reporting. We will continue to evaluate and monitor our internal controls as our lease-related processes and procedures evolve. See Note 4 to the accompanying consolidated financial statements for additional discussion regarding our adoption of ASU 2016-02.

Implementation and Reconfiguration of Financial Reporting Systems

In connection with our initiative to integrate and upgrade our global systems and processes, we migrated our Asia operations to a new financial reporting information technology system, Microsoft AX Dynamics 365, in Fiscal 2020. In addition to this system implementation, during Fiscal 2020, we began reconfiguring the financial reporting information technology system used by our Europe operations, SAP, in order to utilize enhanced financial reporting functionality.

As a result of these actions, we expect to experience certain changes to our processes and procedures which, in turn, will result in changes to our internal control over financial reporting. While we expect these system changes to strengthen our internal financial controls by automating certain manual processes and standardizing business processes and reporting across our organization, management will continue to evaluate and monitor our internal controls as processes and procedures in each of the affected areas evolve. For a discussion of risks related to the implementation of new systems, see Item 1A — "Risk Factors — Our business could suffer if our computer systems and websites are disrupted or cease to operate effectively."

Item 9B. Other Information.

On May 26, 2020, we and certain of our foreign subsidiaries (collectively with the Company, the "Borrowers") entered into the First Amendment (the "Amendment") to the Global Credit Facility with JPMorgan Chase Bank, N.A., as administrative agent (the "Administrative Agent"). The Amendment amended our Global Credit Facility as further described in Note 11 to the accompanying consolidated financial statements.

On May 26, 2020, the Borrowers entered into a new credit facility (the "364 Day Facility") with JPMorgan Chase Bank, N.A., as administrative agent, the Bank of America, N.A. as syndication agent, Deutsche Bank Securities, Inc., ING Bank N.V., Dublin Branch, Sumitomo Mitsui Banking Corporation and HSBC Bank USA, N.A., as co-documentation agents, and a syndicate of financial institutions and institutional lenders (the "Lenders"). The 364 Day Facility provides for an additional \$500 million senior unsecured revolving line of credit that matures on May 25, 2021, or earlier in the event we are able to obtain other additional financing, as described in Note 11 to the accompanying consolidated financial statements.

In the ordinary course of their business, the Administrative Agent, the Lenders and certain of their affiliates have in the past or may in the future engage in investment and commercial banking or other transactions of a financial nature with the Company or its affiliates, including the provision of certain advisory services and the making of loans to the Company and its affiliates.

The summary in this Annual Report on Form 10-K of the Amendment and the 364 Day Facility does not purport to be complete and is qualified in its entirety by reference to conformed copy of the Global Credit Facility as amended by the Amendment and the 364 Day Facility, each of which is attached hereto as Exhibits 10.41 and 10.42, respectively.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

Information relating to our directors and corporate governance will be set forth in the Company's proxy statement for its 2020 annual meeting of stockholders to be filed within 120 days after March 28, 2020 (the "Proxy Statement") and is incorporated by reference herein. Information relating to our executive officers is set forth in Item 1 of this Annual Report on Form 10-K under the caption "*Information About Our Executive Officers.*"

We have a Code of Ethics for Principal Executive Officers and Senior Financial Officers that covers the Company's principal executive officer, principal operating officer, principal financial officer, principal accounting officer, controller, and any person performing similar functions, as applicable. We also have a Code of Business Conduct and Ethics that covers the Company's

directors, officers, and employees. You can find our Code of Ethics for Principal Executive Officers and Senior Financial Officers and our Code of Business Conduct and Ethics (collectively, the "Codes") on our Internet site, <http://investor.ralphlauren.com>. We will post any amendments to the Codes and any waivers that are required to be disclosed by the rules of either the SEC or the NYSE on our Internet site.

Item 11. Executive Compensation.

Information relating to executive and director compensation will be set forth in the Proxy Statement and such information is incorporated by reference herein.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Equity Compensation Plan Information

The following table sets forth information as of March 28, 2020 regarding compensation plans under which the Company's equity securities are authorized for issuance:

Plan Category	(a) Numbers of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights	(b) Weighted-Average Exercise Price of Outstanding Options (\$)	(c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by security holders	3,249,194 ⁽¹⁾	\$ 169.37 ⁽²⁾	3,765,684 ⁽³⁾
Equity compensation plans not approved by security holders	—	—	—
Total	3,249,194	\$ 169.37	3,765,684

⁽¹⁾ Consists of 517,602 options to purchase shares of our Class A common stock and 2,731,592 restricted stock units that are payable solely in shares of Class A common stock (including 469,853 service-based restricted stock units that have fully vested but for which the underlying shares have not yet been delivered as of March 28, 2020). Does not include 3,584 outstanding restricted shares that are subject to forfeiture.

⁽²⁾ Represents the weighted-average exercise price of outstanding stock options.

⁽³⁾ All of the securities remaining available for future issuance set forth in column (c) may be in the form of options, stock appreciation rights, restricted stock, restricted stock units, performance awards, or other stock-based awards under the Company's 2019 Incentive Plan. An additional 3,584 outstanding shares of restricted stock granted under the Company's Plans that remain subject to forfeiture are not reflected in column (c).

Other information relating to security ownership of certain beneficial owners and management will be set forth in the Proxy Statement and such information is incorporated by reference herein.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required to be included by Item 13 of Form 10-K will be included in the Proxy Statement and such information is incorporated by reference herein.

Item 14. Principal Accounting Fees and Services.

The information required to be included by Item 14 of Form 10-K will be included in the Proxy Statement and such information is incorporated by reference herein.

PART IV

Item 15. Exhibits, Financial Statement Schedules.

(a) 1., 2. Financial Statements and Financial Statement Schedules. See index on Page F-1.

3. Exhibits

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Company's Registration Statement on Form S-1 (File No. 333-24733) (the "S-1"))
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of the Company (filed as Exhibit 3.1 to the Form 8-K filed August 16, 2011)
3.3	Fourth Amended and Restated By-laws of the Company (filed as Exhibit 3.3 to the Form 10-Q for the quarterly period ended July 1, 2017)
4.1	Indenture, dated as of September 26, 2013, by and between the Company and Wells Fargo Bank, National Association (including the form of Note) (filed as Exhibit 4.1 to the Form 8-K filed September 26, 2013)
4.2	Second Supplemental Indenture, dated as of August 18, 2015, by and between the Company and Wells Fargo Bank, National Association (filed as Exhibit 4.2 to the Form 8-K filed August 18, 2015)
4.3	Third Supplemental Indenture, dated as of August 9, 2018, by and between Ralph Lauren Corporation and Wells Fargo Bank, National Association (filed as Exhibit 4.2 to the Form 8-K filed August 9, 2018)
4.4*	Description of Securities Registered Under Section 12 of the Exchange Act
10.1	Registration Rights Agreement dated as of June 9, 1997 by and among Ralph Lauren, GS Capital Partners, L.P., GS Capital Partner PRL Holding I, L.P., GS Capital Partners PRL Holding II, L.P., Stone Street Fund 1994, L.P., Stone Street 1994 Subsidiary Corp., Bridge Street Fund 1994, L.P., and the Company (filed as Exhibit 10.3 to the S-1)
10.2	Form of Indemnification Agreement between the Company and its Directors and Executive Officers (filed as Exhibit 10.26 to the S-1)†
10.3	Amended and Restated Employment Agreement, effective as of April 2, 2017, between the Company and Ralph Lauren (filed as Exhibit 10.1 to the Form 8-K filed March 31, 2017)†
10.4	Employment Agreement, dated May 13, 2017, between the Company and Patrice Louvet (filed as Exhibit 10.1 to the Form 8-K filed May 17, 2017)†
10.5	Amendment No. 1 to the Employment Agreement, dated June 30, 2017, between the Company and Patrice Louvet (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended July 1, 2017)†
10.6	Amended and Restated Employment Agreement, effective as of April 4, 2016, between the Company and Valérie Hermann (filed as Exhibit 10.1 to the Form 8-K filed May 4, 2016)†
10.7	Amendment No. 1 to the Amended and Restated Employment Agreement, dated as of November 9, 2016, between the Company and Valérie Hermann (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended October 1, 2016)†
10.8	Employment Separation Agreement and Release, between the Company and Valérie Hermann (filed as Exhibit 10.1 to the Form 8-K filed July 19, 2019)†
10.9	Amendment No. 1 to the Employment Separation Agreement and Release, effective as of November 6, 2019, between the Company and Valérie Hermann (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended September 28, 2019)†
10.10	Amended and Restated Employment Agreement, dated February 28, 2019, between the Company and Jane Nielsen (filed as Exhibit 10.1 to the Form 8-K filed March 1, 2019)†
10.11*	Amended and Restated Employment Agreement, effective as of March 31, 2019, between the Company and Howard Smith†
10.12	Restricted Stock Unit Award Agreement, dated as of June 8, 2004, between the Company and Ralph Lauren (filed as Exhibit 10.15 to the Company's Annual Report on Form 10-K for the fiscal year ended April 2, 2005)†
10.13	Executive Officer Annual Incentive Plan, as amended as of August 10, 2017 (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended July 1, 2017)†
10.14*	Executive Officer Annual Incentive Plan, as amended as of May 20, 2020†
10.15	1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 99.1 to the Form 8-K filed October 4, 2004)†
10.16	Amendment, as of June 30, 2006, to the 1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended July 1, 2006)†

Exhibit Number	Description
10.17	<u>Amendment No. 2, dated as of May 21, 2009, to the 1997 Long-Term Stock Incentive Plan, as Amended and Restated as of August 12, 2004 (filed as Exhibit 10.26 to the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2009)†</u>
10.18	<u>Amended and Restated 2010 Long-Term Incentive Plan, amended as of August 11, 2016 (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended July 2, 2016)†</u>
10.19	<u>2019 Long-Term Stock Incentive Plan (filed as Appendix C to the Company's Definitive Proxy Statement dated June 21, 2019)†</u>
10.20	<u>Cliff Restricted Performance Share Unit Award Overview containing the standard terms of cliff restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.25 to the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2014 (the "Fiscal 2014 10-K"))†</u>
10.21	<u>Pro-Rata Restricted Performance Share Unit Award Overview containing the standard terms of restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.26 to the Fiscal 2014 10-K)†</u>
10.22	<u>Stock Option Award Overview containing the standard terms of stock option awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.27 to the Fiscal 2014 10-K)†</u>
10.23	<u>Cliff Restricted Performance Share Unit with TSR Modifier Award Overview containing the standard terms of cliff restricted performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.28 to the Fiscal 2014 10-K)†</u>
10.24	<u>Form of Performance Share Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.38 to the Company's Annual Report on Form 10-K for the fiscal year ended March 28, 2015 (the "Fiscal 2015 10-K"))†</u>
10.25	<u>Form of Performance-Based Restricted Stock Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.39 to the Fiscal 2015 10-K)†</u>
10.26	<u>Form of Restricted Stock Unit Award Agreement under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended June 27, 2015)†</u>
10.27	<u>Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended September 30, 2017)†</u>
10.28	<u>Performance-Based Restricted Stock Unit - Award Notification containing the standard terms of performance-based restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended September 30, 2017)†</u>
10.29	<u>Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 30, 2017)†</u>
10.30	<u>Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.1 to the Form 10-Q for the quarterly period ended December 29, 2018)†</u>
10.31	<u>Performance-Based Restricted Stock Unit - Award Notification containing the standard terms of performance-based restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended December 29, 2018)†</u>
10.32	<u>Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period December 29, 2018)†</u>
10.33	<u>Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended June 29, 2019)†</u>
10.34	<u>One-time Fiscal 2020 Performance Share Unit - Award Notification containing the standard terms of the one-time Fiscal 2020 performance share unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended June 29, 2019)†</u>
10.35	<u>Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the Amended and Restated 2010 Long-Term Stock Incentive Plan (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended June 29, 2019)†</u>
10.36	<u>Performance Share Unit Award Overview containing the standard terms of performance share unit awards under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.2 to the Form 10-Q for the quarterly period ended September 28, 2019)†</u>

Exhibit Number	Description
10.37	Form of Performance-Based Restricted Stock Unit Award Notification under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.3 to the Form 10-Q for the quarterly period ended September 28, 2019)†
10.38	Restricted Stock Unit Overview containing the standard terms of restricted stock unit awards under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.4 to the Form 10-Q for the quarterly period ended September 28, 2019)†
10.39	Form of Non-Employee Director Restricted Stock Unit Award Agreement under the 2019 Long-Term Stock Incentive Plan (filed as Exhibit 10.5 to the Form 10-Q for the quarterly period ended September 28, 2019)†
10.40	Amended and Restated Polo Ralph Lauren Supplemental Executive Retirement Plan (filed as Exhibit 10.1 to the Company's Form 10-Q for the quarterly period ended December 31, 2005)†
10.41*	Credit Agreement, dated as of August 12, 2019 and as amended by the First Amendment, dated as of May 26, 2020, among the Company, Ralph Lauren Europe Sàrl, RL Finance B.V. and Ralph Lauren Asia Pacific Limited as the borrowers, the lenders party thereto, Bank of America, N.A., as syndication agent, Wells Fargo Bank, N.A., HSBC Bank USA, N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent
10.42*	Credit Agreement, dated as of May 26, 2020, among the Company, Ralph Lauren Europe Sàrl, RL Finance B.V. and Ralph Lauren Asia Pacific Limited as the borrowers, the lenders party thereto, Bank of America, N.A., as syndication agent, Deutsche Bank Securities Inc., ING Bank N.V., Dublin Branch, Sumitomo Mitsui Banking Corporation and HSBC Bank USA, N.A., as co-documentation agents, and JPMorgan Chase Bank, N.A., as administrative agent
14.1	Code of Ethics for Principal Executive Officers and Senior Financial Officers (filed as Exhibit 14.1 to the Company's Annual Report on Form 10-K for the fiscal year ended March 29, 2003 and available, as amended, on the Company's Internet site)
14.2	Code of Business Conduct and Ethics of the Company (filed as Exhibit 14.1 to the Form 10-Q for the quarterly period ended June 27, 2015 and available, as amended, on the Company's Internet site)
21.1*	List of Significant Subsidiaries of the Company
23.1*	Consent of Ernst & Young LLP
31.1*	Certification of Principal Executive Officer pursuant to 17 CFR 240.13a-14(a)
31.2*	Certification of Principal Financial Officer pursuant to 17 CFR 240.13a-14(a)
32.1*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

Exhibits 32.1 and 32.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that Section. Such exhibits shall not be deemed incorporated by reference into any filing under the Securities Act of 1933 or Securities Exchange Act of 1934.

* Filed herewith.

† Management contract or compensatory plan or arrangement.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ HUBERT JOLY</u> Hubert Joly	Director	May 27, 2020
<u>/s/ LINDA FINDLEY KOZLOWSKI</u> Linda Findley Kozlowski	Director	May 27, 2020
<u>/s/ JUDITH MCHALE</u> Judith McHale	Director	May 27, 2020
<u>/s/ ROBERT C. WRIGHT</u> Robert C. Wright	Director	May 27, 2020

RALPH LAUREN CORPORATION
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RALPH LAUREN CORPORATION
CONSOLIDATED BALANCE SHEETS

	March 28, 2020	March 30, 2019
	(millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,620.4	\$ 584.1
Short-term investments	495.9	1,403.4
Accounts receivable, net of allowances of \$276.2 million and \$192.2 million	277.1	398.1
Inventories	736.2	817.8
Income tax receivable	84.8	32.1
Prepaid expenses and other current assets	160.8	359.3
Total current assets	3,375.2	3,594.8
Property and equipment, net	979.5	1,039.2
Operating lease right-of-use assets	1,511.6	—
Deferred tax assets	245.2	67.0
Goodwill	915.5	919.6
Intangible assets, net	141.0	163.7
Other non-current assets	111.9	158.5
Total assets	\$ 7,279.9	\$ 5,942.8
LIABILITIES AND EQUITY		
Current liabilities:		
Short-term debt	\$ 475.0	\$ —
Current portion of long-term debt	299.6	—
Accounts payable	246.8	202.3
Income tax payable	65.1	29.4
Current operating lease liabilities	288.4	—
Accrued expenses and other current liabilities	717.1	968.4
Total current liabilities	2,092.0	1,200.1
Long-term debt	396.4	689.1
Long-term operating lease liabilities	1,568.3	—
Income tax payable	132.7	146.7
Non-current liability for unrecognized tax benefits	88.9	78.8
Other non-current liabilities	308.5	540.9
Commitments and contingencies (Note 15)		
Total liabilities	4,586.8	2,655.6
Equity:		
Class A common stock, par value \$.01 per share; 104.9 million and 102.9 million shares issued; 47.6 million and 52.2 million shares outstanding	1.0	1.0
Class B common stock, par value \$.01 per share; 24.9 million issued and outstanding; 25.9 million shares issued and outstanding	0.3	0.3
Additional paid-in-capital	2,594.4	2,493.8
Retained earnings	5,994.0	5,979.1
Treasury stock, Class A, at cost; 57.3 million and 50.7 million shares	(5,778.4)	(5,083.6)
Accumulated other comprehensive loss	(118.2)	(103.4)
Total equity	2,693.1	3,287.2
Total liabilities and equity	\$ 7,279.9	\$ 5,942.8

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions, except per share data)		
Net revenues	\$ 6,159.8	\$ 6,313.0	\$ 6,182.3
Cost of goods sold	(2,506.5)	(2,427.0)	(2,430.6)
Gross profit	3,653.3	3,886.0	3,751.7
Selling, general, and administrative expenses	(3,237.5)	(3,168.3)	(3,095.5)
Impairment of assets	(31.6)	(25.8)	(50.0)
Restructuring and other charges	(67.2)	(130.1)	(108.0)
Total other operating expenses, net	(3,336.3)	(3,324.2)	(3,253.5)
Operating income	317.0	561.8	498.2
Interest expense	(17.6)	(20.7)	(18.2)
Interest income	34.4	40.8	12.3
Other income (expense), net	(7.4)	0.6	(3.1)
Income before income taxes	326.4	582.5	489.2
Income tax benefit (provision)	57.9	(151.6)	(326.4)
Net income	\$ 384.3	\$ 430.9	\$ 162.8
Net income per common share:			
Basic	\$ 5.07	\$ 5.35	\$ 1.99
Diluted	\$ 4.98	\$ 5.27	\$ 1.97
Weighted-average common shares outstanding:			
Basic	75.8	80.6	81.7
Diluted	77.2	81.7	82.5
Dividends declared per share	\$ 2.75	\$ 2.50	\$ 2.00

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Net income	\$ 384.3	\$ 430.9	\$ 162.8
Other comprehensive income (loss), net of tax:			
Foreign currency translation gains (losses)	(11.9)	(39.2)	126.9
Net gains (losses) on cash flow hedges	(2.2)	36.2	(30.6)
Net gains (losses) on defined benefit plans	(0.7)	(1.9)	3.6
Other comprehensive income (loss), net of tax	(14.8)	(4.9)	99.9
Total comprehensive income	<u>\$ 369.5</u>	<u>\$ 426.0</u>	<u>\$ 262.7</u>

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Cash flows from operating activities:			
Net income	\$ 384.3	\$ 430.9	\$ 162.8
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	269.5	281.3	295.2
Deferred income tax expense (benefit)	(168.8)	8.5	84.1
Loss on sale of property	—	11.6	—
Non-cash stock-based compensation expense	100.6	88.6	74.5
Non-cash impairment of assets, including equity method investment	38.7	25.8	50.0
Bad debt expense	58.7	0.4	10.2
Other non-cash charges	(2.3)	6.5	1.7
Changes in operating assets and liabilities:			
Accounts receivable	57.6	10.1	34.5
Inventories	72.3	(83.6)	65.4
Prepaid expenses and other current assets	58.2	(40.5)	(15.1)
Accounts payable and accrued liabilities	(64.3)	(4.7)	64.6
Income tax receivables and payables	(42.5)	29.7	165.1
Deferred income	—	(16.5)	1.4
Other balance sheet changes	(7.4)	35.7	(19.3)
Net cash provided by operating activities	754.6	783.8	975.1
Cash flows from investing activities:			
Capital expenditures	(270.3)	(197.7)	(161.6)
Purchases of investments	(1,289.7)	(3,030.8)	(1,605.6)
Proceeds from sales and maturities of investments	2,240.4	2,357.5	1,582.7
Acquisitions and ventures	0.9	(4.5)	(4.6)
Proceeds from sale of property	20.8	20.0	—
Settlement of net investment hedges	—	(23.8)	—
Net cash provided by (used in) investing activities	702.1	(879.3)	(189.1)
Cash flows from financing activities:			
Proceeds from credit facilities	475.0	—	10.1
Repayments of borrowings on credit facilities	—	(9.9)	—
Proceeds from the issuance of long-term debt	—	398.1	—
Repayments of long-term debt	—	(300.0)	—
Payments of finance lease obligations	(13.6)	(19.6)	(28.2)
Payments of dividends	(203.9)	(190.7)	(162.4)
Repurchases of common stock, including shares surrendered for tax withholdings	(694.8)	(502.6)	(17.1)
Proceeds from exercise of stock options	—	21.8	0.1
Other financing activities	(0.9)	(2.8)	—
Net cash used in financing activities	(438.2)	(605.7)	(197.5)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(15.2)	(27.8)	55.2
Net increase (decrease) in cash, cash equivalents, and restricted cash	1,003.3	(729.0)	643.7
Cash, cash equivalents, and restricted cash at beginning of period	626.5	1,355.5	711.8
Cash, cash equivalents, and restricted cash at end of period	\$ 1,629.8	\$ 626.5	\$ 1,355.5

See accompanying notes.

RALPH LAUREN CORPORATION
CONSOLIDATED STATEMENTS OF EQUITY

	Common Stock ^(a)		Additional	Retained	Treasury Stock		AOCI ^(b)	Total
	Shares	Amount	Paid-in Capital	Earnings	at Cost			
	(millions)							
Balance at April 1, 2017	127.4	\$ 1.2	\$ 2,308.8	\$ 5,751.9	46.4	\$ (4,563.9)	\$ (198.4)	\$ 3,299.6
Comprehensive income:								
Net income				162.8				
Other comprehensive income							99.9	
Total comprehensive income								262.7
Dividends declared				(162.5)				(162.5)
Repurchases of common stock					0.2	(17.1)		(17.1)
Stock-based compensation			74.5					74.5
Shares issued pursuant to stock-based compensation plans	0.5	0.1	0.1					0.2
Balance at March 31, 2018	127.9	\$ 1.3	\$ 2,383.4	\$ 5,752.2	46.6	\$ (4,581.0)	\$ (98.5)	\$ 3,457.4
Comprehensive income:								
Net income				430.9				
Other comprehensive loss							(4.9)	
Total comprehensive income								426.0
Dividends declared				(198.9)				(198.9)
Repurchases of common stock					4.1	(502.6)		(502.6)
Stock-based compensation			88.6					88.6
Shares issued pursuant to stock-based compensation plans	0.9	—	21.8					21.8
Cumulative adjustment from adoption of new accounting standards				(5.1)				(5.1)
Balance at March 30, 2019	128.8	\$ 1.3	\$ 2,493.8	\$ 5,979.1	50.7	\$ (5,083.6)	\$ (103.4)	\$ 3,287.2
Comprehensive income:								
Net income				384.3				
Other comprehensive loss							(14.8)	
Total comprehensive income								369.5
Dividends declared				(204.9)				(204.9)
Repurchases of common stock					6.6	(694.8)		(694.8)
Stock-based compensation			100.6					100.6
Shares issued pursuant to stock-based compensation plans	1.0	—	—					—
Cumulative adjustment from adoption of new accounting standards (see Note 4)				(164.5)				(164.5)
Balance at March 28, 2020	129.8	\$ 1.3	\$ 2,594.4	\$ 5,994.0	57.3	\$ (5,778.4)	\$ (118.2)	\$ 2,693.1

^(a) Includes Class A and Class B common stock. In Fiscal 2020, 1.0 million shares of Class B common stock were converted into an equal number of shares of Class A common stock pursuant to the terms of the Class B common stock (see Note 16).

^(b) Accumulated other comprehensive income (loss).

See accompanying notes.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Ralph Lauren Corporation ("RLC") is a global leader in the design, marketing, and distribution of premium lifestyle products, including apparel, footwear, accessories, home furnishings, fragrances, and hospitality. RLC's long-standing reputation and distinctive image have been developed across an expanding number of products, brands, sales channels, and international markets. RLC's brand names include Ralph Lauren, Ralph Lauren Collection, Ralph Lauren Purple Label, Polo Ralph Lauren, Double RL, Lauren Ralph Lauren, Polo Ralph Lauren Children, Chaps, and Club Monaco, among others. RLC and its subsidiaries are collectively referred to herein as the "Company," "we," "us," "our," and "ourselves," unless the context indicates otherwise.

The Company diversifies its business by geography (North America, Europe, and Asia, among other regions) and channel of distribution (retail, wholesale, and licensing). This allows the Company to maintain a dynamic balance as its operating results do not depend solely on the performance of any single geographic area or channel of distribution. The Company sells directly to consumers through its integrated retail channel, which includes its retail stores, concession-based shop-within-shops, and digital commerce operations around the world. The Company's wholesale sales are made principally to major department stores, specialty stores, and third-party digital partners around the world, as well as to certain third-party-owned stores to which the Company has licensed the right to operate in defined geographic territories using its trademarks. In addition, the Company licenses to third parties for specified periods the right to access its various trademarks in connection with the licensees' manufacture and sale of designated products, such as certain apparel, eyewear, fragrances, and home furnishings.

The Company organizes its business into the following three reportable segments: North America, Europe, and Asia. In addition to these reportable segments, the Company also has other non-reportable segments. See Note 20 for further discussion of the Company's segment reporting structure.

2. Basis of Presentation

Basis of Consolidation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the U.S. ("U.S. GAAP") and present the consolidated financial position, income, comprehensive income, and cash flows of the Company, including all entities in which the Company has a controlling financial interest and is determined to be the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation.

Fiscal Year

The Company utilizes a 52-53 week fiscal year ending on the Saturday closest to March 31. As such, fiscal year 2020 ended on March 28, 2020 and was a 52-week period ("Fiscal 2020"); fiscal year 2019 ended on March 30, 2019 and was a 52-week period ("Fiscal 2019"); fiscal year 2018 ended on March 31, 2018 and was a 52-week period ("Fiscal 2018"); and fiscal year 2021 will end on March 27, 2021 and will be a 52-week period ("Fiscal 2021").

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. Actual results could differ materially from those estimates.

Significant estimates inherent in the preparation of the consolidated financial statements include reserves for bad debt, customer returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances; the realizability of inventory; reserves for litigation and other contingencies; useful lives and impairments of long-lived tangible and intangible assets; fair value measurements; accounting for income taxes and related uncertain tax positions; valuation of stock-based compensation awards and related forfeiture rates; reserves for restructuring activity; and accounting for business combinations, among others.

Reclassifications

Certain reclassifications have been made to the prior periods' financial information in order to conform to the current period's presentation, including a change to the Company's segment reporting structure as further described in Note 20.

3. Summary of Significant Accounting Policies

Revenue Recognition

The Company recognizes revenue across all channels of the business when it satisfies its performance obligations by transferring control of promised products or services to its customers, which occurs either at a point in time or over time, depending on when the customer obtains the ability to direct the use of and obtain substantially all of the remaining benefits from the products or services. The amount of revenue recognized considers terms of sale that create variability in the amount of consideration that the Company ultimately expects to be entitled to in exchange for the products or services, and is subject to an overall constraint that a significant revenue reversal will not occur in future periods. Sales and other related taxes collected from customers and remitted to government authorities are excluded from revenue.

Revenue from the Company's retail business is recognized when the customer takes physical possession of the products, which occurs either at the point of sale for merchandise purchased at the Company's retail stores and concession-based shop-within-shops, or upon receipt of shipment for merchandise ordered through direct-to-consumer digital commerce sites. Such revenues are recorded net of estimated returns based on historical trends. Payment is due at the point of sale.

Gift cards issued to customers by the Company are recorded as a liability until they are redeemed, at which point revenue is recognized. The Company also estimates and recognizes revenue for gift card balances not expected to ever be redeemed (referred to as "breakage") to the extent that it does not have a legal obligation to remit the value of such unredeemed gift cards to the relevant jurisdiction as unclaimed or abandoned property. Such estimates are based upon historical redemption trends, with breakage income recognized in proportion to the pattern of actual customer redemptions.

Revenue from the Company's wholesale business is generally recognized upon shipment of products, at which point title passes and risk of loss is transferred to the customer. In certain arrangements where the Company retains the risk of loss during shipment, revenue is recognized upon receipt of products by the customer. Wholesale revenue is recorded net of estimates of returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances. Returns and allowances require pre-approval from management and discounts are based on trade terms. Estimates for end-of-season markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms. Estimates for operational chargebacks are based on actual customer notifications of order fulfillment discrepancies and historical trends. The Company reviews and refines these estimates on at least a quarterly basis. The Company's historical estimates of these amounts have not differed materially from actual results.

Revenue from the Company's licensing arrangements is recognized over time during the period that licensees are provided access to the Company's trademarks (i.e., symbolic intellectual property) and benefit from such access through their sales of licensed products. These arrangements require licensees to pay a sales-based royalty, which for most arrangements may be subject to a contractually-guaranteed minimum royalty amount. Payments are generally due quarterly and, depending on time of receipt, may be recorded as a liability until recognized as revenue. The Company recognizes revenue for sales-based royalty arrangements (including those for which the royalty exceeds any contractually-guaranteed minimum royalty amount) as licensed products are sold by the licensee. If a sales-based royalty is not ultimately expected to exceed a contractually-guaranteed minimum royalty amount, the minimum is recognized as revenue ratably over the contractual period. This sales-based output measure of progress and pattern of recognition best represents the value transferred to the licensee over the term of the arrangement, as well as the amount of consideration that the Company is entitled to receive in exchange for providing access to its trademarks. As of March 28, 2020, contractually-guaranteed minimum royalty amounts expected to be recognized as revenue during future periods were as follows:

	Contractually-Guaranteed Minimum Royalties^(a)
	(millions)
Fiscal 2021	\$ 119.0
Fiscal 2022	80.7
Fiscal 2023	45.1
Fiscal 2024	27.2
Fiscal 2025 and thereafter	1.1
Total	<u>\$ 273.1</u>

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(a) Amounts presented do not contemplate anticipated contract renewals or royalties earned in excess of the contractually guaranteed minimums.

Disaggregated Net Revenues

The following tables disaggregate the Company's net revenues into categories that depict how the nature, amount, timing, and uncertainty of revenues and cash flows are affected by economic factors for the fiscal periods presented:

	Fiscal Year Ended				
	March 28, 2020				
	North America	Europe	Asia	Other	Total
	(millions)				
Sales Channel^(a):					
Retail	\$ 1,727.3	\$ 874.6	\$ 948.0	\$ 191.0	\$ 3,740.9
Wholesale	1,413.2	757.6	69.2	10.8	2,250.8
Licensing	—	—	—	168.1	168.1
Total	\$ 3,140.5	\$ 1,632.2	\$ 1,017.2	\$ 369.9	\$ 6,159.8

	Fiscal Year Ended				
	March 30, 2019				
	North America	Europe	Asia	Other	Total
	(millions)				
Sales Channel^(a):					
Retail	\$ 1,688.5	\$ 881.1	\$ 969.9	\$ 208.3	\$ 3,747.8
Wholesale	1,514.4	801.9	71.1	5.1	2,392.5
Licensing	—	—	—	172.7	172.7
Total	\$ 3,202.9	\$ 1,683.0	\$ 1,041.0	\$ 386.1	\$ 6,313.0

	Fiscal Year Ended				
	March 31, 2018				
	North America	Europe	Asia	Other	Total
	(millions)				
Sales Channel^(a):					
Retail	\$ 1,659.6	\$ 857.9	\$ 874.1	\$ 224.8	\$ 3,616.4
Wholesale	1,571.4	750.4	59.6	7.8	2,389.2
Licensing	—	—	—	176.7	176.7
Total	\$ 3,231.0	\$ 1,608.3	\$ 933.7	\$ 409.3	\$ 6,182.3

(a) Net revenues from the Company's retail and wholesale businesses are recognized at a point in time. Net revenues from the Company's licensing business are recognized over time.

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Deferred Income

Deferred income represents cash payments received in advance of the Company's transfer of control of products or services to its customers and is generally comprised of unredeemed gift cards, net of breakage, and advance royalty payments from licensees. The Company's deferred income balances were \$14.6 million and \$14.8 million as of March 28, 2020 and March 30, 2019, respectively, and were primarily recorded within accrued expenses and other current liabilities within the consolidated balance sheets. During Fiscal 2020, the Company recognized \$9.3 million of net revenues from amounts recorded as deferred income as of March 30, 2019. The majority of the deferred income balance as of March 28, 2020 is expected to be recognized as revenue within the next twelve months.

Cost of Goods Sold and Selling Expenses

Cost of goods sold includes the expenses incurred to acquire and produce inventory for sale, including product costs, freight-in, and import costs, as well as changes in reserves for shrinkage and inventory realizability. Gains and losses associated with forward foreign currency exchange contracts that are designated as qualifying cash flow hedges of inventory transactions are also recognized within cost of goods sold when the hedged inventory is sold. The costs of selling merchandise, including those associated with preparing merchandise for sale, such as picking, packing, warehousing, and order charges ("handling costs"), are included in selling, general, and administrative ("SG&A") expenses in the consolidated statements of operations.

Shipping and Handling Costs

Costs associated with shipping goods to customers are accounted for as fulfillment activities and reflected as a component of SG&A expenses in the consolidated statements of operations. Shipping and handling costs (described above) billed to customers are included in revenue. A summary of shipping and handling costs is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Shipping costs	\$ 46.7	\$ 49.1	\$ 39.1
Handling costs	154.0	153.1	155.4

Advertising and Marketing Costs

Advertising costs, including the costs to produce advertising, are expensed when the advertisement is first exhibited. Advertising costs paid to wholesale customers under cooperative advertising programs are not included in advertising costs, but rather are reflected as a reduction of revenue since generally the benefits are not sufficiently separable from the purchases of the Company's products by customers. Costs associated with the marketing and promotion of the Company's products are included within SG&A expenses.

Advertising and marketing expenses were \$278.0 million, \$272.8 million, and \$241.1 million in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively. Deferred advertising, marketing, and promotional costs, which principally relate to advertisements that have not yet been exhibited or services that have not yet been received, were \$10.1 million and \$9.6 million at the end of Fiscal 2020 and Fiscal 2019, respectively, and were recorded within prepaid expenses and other current assets in the Company's consolidated balance sheets.

Foreign Currency Translation and Transactions

The financial position and operating results of the Company's foreign operations are accounted for in their respective functional currencies, which are primarily consistent with the local currency. For purposes of consolidation, local currency assets and liabilities are translated to U.S. Dollars at the rates of exchange in effect on the balance sheet date, and local currency revenues and expenses are translated to U.S. Dollars at average rates of exchange in effect during the period. The resulting translation gains or losses are included in the consolidated statements of comprehensive income as a component of other comprehensive income (loss) ("OCI") and in the consolidated statements of equity within accumulated other comprehensive income (loss) ("AOCI"). Gains and losses on the translation of intercompany loans made to foreign subsidiaries that are of a long-term investment nature are also included within this component of equity.

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company also recognizes gains and losses on both third-party and intercompany balances that are denominated in a currency other than the respective entity's functional currency. Such foreign currency transactional gains and losses are recognized within other income (expense), net in the consolidated statements of operations, inclusive of the effects of any related hedging activities, and reflected net losses of \$1.1 million and \$2.8 million in Fiscal 2020 and Fiscal 2019, respectively, and net gains of \$4.5 million in Fiscal 2018.

Comprehensive Income

Comprehensive income, which is reported in the consolidated statements of comprehensive income and consolidated statements of equity, consists of net income and certain other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income and referred to as OCI. Components of OCI consist of foreign currency translation gains (losses); net realized and unrealized gains (losses) on cash flow hedges, such as forward foreign currency exchange contracts; net realized and unrealized gains (losses) on available-for-sale investments; and net realized and unrealized gains (losses) related to the Company's defined benefit plans.

Net Income per Common Share

Basic net income per common share is computed by dividing net income attributable to common shares by the weighted-average number of common shares outstanding during the period. Weighted-average common shares include shares of the Company's Class A and Class B common stock. Diluted net income per common share adjusts basic net income per common share for the dilutive effects of outstanding restricted stock units ("RSUs"), stock options, and any other potentially dilutive instruments, only in the periods in which such effects are dilutive.

The weighted-average number of common shares outstanding used to calculate basic net income per common share is reconciled to shares used to calculate diluted net income per common share as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Basic shares	75.8	80.6	81.7
Dilutive effect of RSUs and stock options	1.4	1.1	0.8
Diluted shares	<u>77.2</u>	<u>81.7</u>	<u>82.5</u>

All earnings per share amounts have been calculated using unrounded numbers. The Company has outstanding performance-based and market-based RSUs, which are included in the computation of diluted shares only to the extent that the underlying performance or market conditions (i) have been satisfied as of the end of the reporting period or (ii) would be considered satisfied if the end of the reporting period were the end of the related contingency period and the result would be dilutive. In addition, options to purchase shares of the Company's Class A common stock at an exercise price greater than the average market price of the common stock during the reporting period are anti-dilutive and therefore not included in the computation of diluted net income per common share. As of the end of Fiscal 2020, Fiscal 2019, and Fiscal 2018, there were 0.8 million, 1.4 million, and 2.0 million, respectively, of additional shares issuable contingent on vesting of performance-based RSUs and upon exercise of anti-dilutive options, that were excluded from the diluted shares calculations.

Stock-Based Compensation

The Company recognizes expense for all stock-based compensation awards granted to employees and non-employee directors based on the grant date fair value of the awards over the requisite service period, adjusted for forfeitures which are estimated based on an analysis of historical experience and expected future trends. The grant date fair value of the Company's market-based RSU awards, for which vesting is dependent upon total shareholder return ("TSR") of its Class A common stock over a three-year performance period relative to that of a pre-established peer group, is estimated using a Monte Carlo simulation model. The grant date fair values of restricted stock awards, service-based RSUs, and performance-based RSUs are determined based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. The Company uses the Black-Scholes valuation model to estimate the grant date fair value of any stock option awards. Compensation expense for all performance-based RSUs is recognized over the requisite service period when attainment of the performance goal is deemed

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

probable, net of estimated forfeitures. Compensation expense for market-based RSUs, net of estimated forfeitures, is recognized over the requisite service period regardless of whether, and the extent to which, the market condition is ultimately satisfied. The Company recognizes compensation expense on an accelerated basis for all awards with graded vesting terms, including restricted stock, certain RSUs, and stock options. For RSU awards with cliff vesting terms, compensation expense is recognized on a straight-line basis. For certain RSU awards granted to retirement-eligible employees, or employees who will become retirement-eligible prior to the end of the awards' respective stated vesting periods, the related stock-based compensation expense is recognized on an accelerated basis over a term commensurate with the period that the employee is required to provide service in order to vest in the award. See Note 18 for further discussion of the Company's stock-based compensation plans.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of 90 days or less, including investments in time deposits and debt securities. Investments in debt securities are diversified across high-credit quality issuers in accordance with the Company's risk-management policies.

Restricted Cash

The Company is periodically required to place cash in escrow with various banks as collateral, primarily to secure guarantees of corresponding amounts made by the banks to international tax authorities on behalf of the Company, such as to secure refunds of value-added tax payments in certain international tax jurisdictions or in the case of certain international tax audits, as well as to secure guarantees related to certain real estate leases. Such cash is classified as restricted cash and reported as a component of either prepaid expenses and other current assets or other non-current assets in the Company's consolidated balance sheets.

Investments

The Company's investment objectives include capital preservation, maintaining adequate liquidity, diversification to minimize liquidity and credit risk, and achievement of maximum returns within the guidelines set forth in the Company's investment policy.

Short-term investments consist of investments which the Company expects to convert into cash within one year, including time deposits and debt securities, which have original maturities greater than 90 days. Non-current investments, which are classified within other non-current assets in the consolidated balance sheets, consist of those investments which the Company does not expect to convert into cash within one year.

The Company classifies all of its investments at the time of purchase as available-for-sale. These investments are recorded at fair value with unrealized gains or losses classified as a component of AOCI in the consolidated balance sheets, and related realized gains or losses recorded within income (expense), net, in the consolidated statements of operations. Cash inflows and outflows related to the sale and purchase of investments are classified as investing activities in the Company's consolidated statements of cash flows.

Equity-method Investments

Investment ownership interests that provide the Company with significant influence, but less than a controlling interest, over an investee are accounted for using the equity method of accounting. Significant influence is generally presumed to exist when the Company owns between 20% and 50% of the investee.

Under the equity method of accounting, the following amounts are generally recorded in the Company's consolidated financial statements: the Company's original investment, as subsequently adjusted for its share of the investee's earnings (losses) and reduced by any dividends received and other-than-temporary impairments recorded, is included in the consolidated balance sheets; the Company's share of the investee's periodic earnings (losses) is included in the consolidated statements of operations; and dividends and other cash distributions received from the investee and additional cash investments made in or other cash paid to the investee are included in the consolidated statements of cash flows.

The Company's share of equity-method investee earnings and losses is recognized within other income (expense), net, in the consolidated statements of operations, and reflected net gains of \$0.1 million and \$2.9 million in Fiscal 2020 and Fiscal 2019, respectively, and net losses of \$4.5 million in Fiscal 2018.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Impairment Assessment

The Company evaluates its investments that are in unrealized loss positions, if any, and equity method investments for other-than-temporary impairment on a quarterly basis (see Note 12). Such evaluation involves a variety of considerations, including assessments of the risks and uncertainties associated with general economic conditions and distinct conditions affecting specific issuers or investees. Factors considered by the Company include (i) the length of time and the extent to which an investment's fair value has been below its cost; (ii) the financial condition, credit worthiness, and near-term prospects of the issuer; (iii) the length of time to maturity; (iv) future economic conditions and market forecasts; (v) the Company's intent and ability to retain its investment for a period of time sufficient to allow for recovery of market value; (vi) an assessment of whether it is more likely than not that the Company will be required to sell its investment before recovery of market value; and (vii) whether events or changes in circumstances indicate that the investment's carrying amount might not be recoverable. See Note 13 for further information relating to the Company's investments.

During Fiscal 2020, the Company recorded a \$7.1 million impairment charge within other income (expense), net in the consolidated statements of operations relating to an equity method investment (see Note 8).

Accounts Receivable

In the normal course of business, the Company extends credit to wholesale customers that satisfy defined credit criteria. Payment is generally due within 30 to 120 days and does not include a significant financing component. Accounts receivable is recorded at carrying value, which approximates fair value, and is presented in the Company's consolidated balance sheets net of certain reserves and allowances. These reserves and allowances consist of (i) reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances (see the "Revenue Recognition" section above for further discussion of related accounting policies) and (ii) allowances for doubtful accounts.

A rollforward of the activity in the Company's reserves for returns, discounts, end-of-season markdowns, operational chargebacks, and certain cooperative advertising allowances is presented below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Beginning reserve balance	\$ 176.5	\$ 202.5	\$ 202.8
Amount charged against revenue to increase reserve	580.1	543.8	585.0
Amount credited against customer accounts to decrease reserve	(550.3)	(563.0)	(596.6)
Foreign currency translation	(1.6)	(6.8)	11.3
Ending reserve balance	<u>\$ 204.7</u>	<u>\$ 176.5</u>	<u>\$ 202.5</u>

An allowance for doubtful accounts is determined through an analysis of accounts receivable aging, assessments of collectability based on evaluation of historical and anticipated trends, the financial condition of the Company's customers and their ability to withstand prolonged periods of adverse economic conditions, and evaluation of the impact of other economic and market conditions, among other factors. The Company's estimated allowance for doubtful accounts as of March 28, 2020 reflects adverse impacts associated with COVID-19 business disruptions, which include temporary department and specialty store closures worldwide, as well as declines in retail traffic, tourism, and consumer spending on discretionary items.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A rollforward of the activity in the Company's allowance for doubtful accounts is presented below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Beginning reserve balance	\$ 15.7	\$ 19.7	\$ 11.6
Amount recorded to expense to increase reserve ^(a)	58.7	0.4	10.2
Amount written-off against customer accounts to decrease reserve	(2.6)	(3.5)	(3.2)
Foreign currency translation	(0.3)	(0.9)	1.1
Ending reserve balance	<u>\$ 71.5</u>	<u>\$ 15.7</u>	<u>\$ 19.7</u>

^(a) Amounts recorded to bad debt expense are included within SG&A expenses in the consolidated statements of operations.

Concentration of Credit Risk

The Company sells its wholesale merchandise primarily to major department stores, specialty stores, and third-party digital partners around the world, and extends credit based on an evaluation of each customer's financial capacity and condition, usually without requiring collateral. In the Company's wholesale business, concentration of credit risk is relatively limited due to the large number of customers and their dispersion across many geographic areas. However, the Company has three key wholesale customers that generate significant sales volume. During Fiscal 2020, the Company's sales to its three largest wholesale customers accounted for approximately 18% of total net revenues. Substantially all of the Company's sales to its three largest wholesale customers related to its North America segment. As of March 28, 2020, these three key wholesale customers constituted approximately 32% of total gross accounts receivable.

Inventories

The Company holds inventory that is sold in its retail stores and digital commerce sites directly to consumers. The Company also holds inventory that is sold through wholesale distribution channels to major department stores, specialty stores, and third-party digital partners. Substantially all of the Company's inventories consist of finished goods, which are stated at the lower of cost or estimated realizable value, with cost determined on a weighted-average cost basis.

The estimated realizable value of inventory is determined based on an analysis of historical sales trends of the Company's individual product lines, the impact of market trends and economic conditions, and a forecast of future demand, giving consideration to the value of current in-house orders for future sales of inventory, as well as plans to sell inventory through the Company's factory stores, among other liquidation channels. Actual results may differ from estimates due to the quantity, quality, and mix of products in inventory, consumer and retailer preferences, and actual economic and market conditions. In addition, reserves for inventory shrinkage, representing the risk of physical loss of inventory, are estimated based on historical experience and are adjusted based upon physical inventory counts. The Company's historical estimates of the realizable value of its inventory and its reserves for inventory shrinkage have not differed materially from actual results. However, unforeseen adverse future economic and market conditions, such as those resulting from disease pandemics and other catastrophic events, could result in the Company's actual results differing materially from its estimates.

The Company's estimated realizable value of its inventory as of March 28, 2020 reflects adverse impacts associated with COVID-19 business disruptions, which include temporary closures of the Company's stores and those of its wholesale customers worldwide, as well as declines in retail traffic, tourism, and consumer spending on discretionary items.

Property and Equipment, Net

Property and equipment, net is stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method based upon the estimated useful lives of depreciable assets, which range from three to seven years for furniture and fixtures, machinery and equipment, and capitalized software; and from ten to forty years for buildings and improvements. Leasehold improvements are depreciated over the shorter of the estimated useful lives of the respective assets or the term of the related lease.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Property and equipment, along with other long-lived assets, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable (see Note 12). In evaluating long-lived assets for recoverability, including finite-lived intangibles as described below, the Company uses its best estimate of future cash flows expected to result from the use of the asset and its eventual disposition. To the extent that estimated future undiscounted net cash flows attributable to the asset are less than its carrying value, an impairment loss is recognized equal to the difference between the carrying value of such asset and its fair value, considering external market participant assumptions. Assets to be disposed of and for which there is a committed plan for disposal are reported at the lower of carrying value or fair value, less costs to sell.

Leases

As discussed in Note 4, the Company adopted a new lease accounting standard as of the beginning of Fiscal 2020.

The Company's lease arrangements primarily relate to real estate, including its retail stores, concession-based shop-within-shops, corporate offices, and warehouse facilities, and to a lesser extent, certain equipment and other assets. The Company's leases generally have initial terms ranging from three to fifteen years and may include renewal or early-termination options, rent escalation clauses, and/or lease incentives in the form of construction allowances and rent abatements. Renewal rent payment terms generally reflect market rates prevailing at the time of renewal. The Company is typically required to make fixed minimum rent payments, variable rent payments based on performance (e.g., percentage-of-sales-based payments), or a combination thereof, directly related to its right to use an underlying leased asset. The Company is also often required to pay for certain other costs that do not relate specifically to its right to use an underlying leased asset, but that are associated with the asset, including real estate taxes, insurance, common area maintenance fees, and/or certain other costs (referred to collectively herein as "non-lease components"), which may be fixed or variable in amount, depending on the terms of the respective lease agreement. The Company's leases do not contain significant residual value guarantees or restrictive covenants.

The Company determines whether an arrangement contains a lease at the arrangement's inception. If a lease is determined to exist, its related term is assessed at lease commencement, once the underlying asset is made available by the lessor for the Company's use. The Company's assessment of the lease term reflects the non-cancellable period of the lease, inclusive of any rent-free periods and/or periods covered by early-termination options for which the Company is not considered reasonably certain of exercising, as well as periods covered by renewal options for which it is considered reasonably certain of exercising. The Company also determines lease classification as either operating or finance (formerly referred to as "capital") at lease commencement, which governs the pattern of expense recognition and the presentation thereof reflected in the consolidated statements of operations over the lease term.

For leases with a lease term exceeding 12 months, a lease liability is recorded on the Company's consolidated balance sheet at lease commencement reflecting the present value of its fixed payment obligations over such term. A corresponding right-of-use ("ROU") asset equal to the initial lease liability is also recorded, increased by any prepaid rent and/or initial direct costs incurred in connection with execution of the lease, and reduced by any lease incentives received. The Company includes fixed payment obligations related to non-lease components in the measurement of ROU assets and lease liabilities, as it elects to account for lease and non-lease components together as a single lease component. Variable lease payments are not included in the measurement of ROU assets and lease liabilities. ROU assets associated with finance leases are presented separate from those associated with operating leases, and are included within property and equipment, net on the Company's consolidated balance sheet. For purposes of measuring the present value of its fixed payment obligations for a given lease, the Company uses its incremental borrowing rate, determined based on information available at lease commencement, as rates implicit in its leasing arrangements are not readily determinable. The Company's incremental borrowing rate reflects the rate it would pay to borrow on a secured basis an amount equal to the lease payments and incorporates the term and economic environment of the lease.

For operating leases, fixed lease payments are recognized as operating lease cost on a straight-line basis over the lease term. For finance leases, the initial ROU asset is depreciated on a straight-line basis over the lease term, along with recognition of interest expense associated with accretion of the lease liability, which is ultimately reduced by the related fixed payments as they are made. For leases with a lease term of 12 months or less (referred to as a "short-term lease"), any fixed lease payments are recognized on a straight-line basis over such term and are not recognized on the consolidated balance sheet. Variable lease cost, if any, is recognized as incurred for all leases.

ROU assets, along with any other related long-lived assets, are periodically evaluated for impairment whenever events or circumstances indicate that their carrying values may not be fully recoverable (see Note 12). To the extent that an ROU asset and any related long-lived assets are determined to be impaired, they are written down accordingly on a relative carrying amount basis,

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

with the ROU asset written down to an amount no lower than its estimated fair value. Subsequent to the recognition of any such impairment, total remaining lease cost is recognized on a front-loaded basis over the remaining lease term.

See Note 14 for further discussion of the Company's leases.

Goodwill and Other Intangible Assets

At acquisition, the Company estimates and records the fair value of purchased intangible assets, which typically consist of reacquired license agreements, customer relationships, non-compete agreements, and/or order backlog. The fair values of these intangible assets are estimated based on management's assessment, considering independent third-party appraisals when necessary. The excess of the purchase consideration over the fair value of net assets acquired, both tangible and intangible, is recorded as goodwill. Goodwill and certain other intangible assets deemed to have indefinite useful lives are not amortized. Rather, goodwill and such indefinite-lived intangible assets are assessed for impairment at least annually. The Company generally performs its annual goodwill and indefinite-lived intangible assets impairment analyses using a qualitative approach to determine whether it is more likely than not that the fair values of such assets are less than their respective carrying values. If, based on the results of the qualitative assessment, it is concluded that it is not more likely than not that the fair value of the asset exceeds its carrying value, a quantitative test is performed. Under the quantitative test, if the carrying value of the asset exceeds its fair value, an impairment loss is recognized in the amount of the excess. The Company also periodically performs a quantitative test to assess its goodwill for impairment in lieu of using the qualitative approach in order to reassess the fair values of its reporting units.

Finite-lived intangible assets are amortized over their respective estimated useful lives and, along with other long-lived assets as noted above, are evaluated for impairment periodically whenever events or changes in circumstances indicate that their related carrying values may not be fully recoverable. See discussion of the Company's accounting policy for long-lived asset impairment as previously described under the caption "*Property and Equipment, Net.*"

Income Taxes

Income taxes are provided using the asset and liability method. Under this method, income taxes (i.e., deferred tax assets and liabilities, current taxes payable/refunds receivable, and tax expense) are recorded based on amounts refundable or payable in the current year and include the results of any difference between U.S. GAAP and tax reporting. Deferred income taxes reflect the tax effect of certain net operating losses, capital losses, general business credit carryforwards, and the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial statement and income tax purposes, as determined under enacted tax laws and rates. The Company accounts for the financial effect of changes in tax laws or rates in the period of enactment.

In addition, valuation allowances are established when management determines that it is more likely than not that some portion or all of a deferred tax asset will not be realized. Tax valuation allowances are analyzed periodically and adjusted as events occur or circumstances change that warrant adjustments.

In determining the income tax benefit (provision) for financial reporting purposes, the Company establishes a reserve for uncertain tax positions. If the Company considers that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, it recognizes the tax benefit. The Company measures the tax benefit by determining the largest amount that is greater than 50% likely of being realized upon settlement, presuming that the tax position is examined by the appropriate taxing authority that has full knowledge of all relevant information. These assessments can be complex and the Company often obtains assistance from external advisors. To the extent that the Company's estimates change or the final tax outcome of these matters is different than the amounts recorded, such differences will impact the income tax benefit (provision) in the period in which such determinations are made. If the initial assessment fails to result in the recognition of a tax benefit, the Company regularly monitors its position and subsequently recognizes the tax benefit if (i) there are changes in tax law or analogous case law that sufficiently raise the likelihood of prevailing on the technical merits of the position to more likely than not; (ii) the statute of limitations expires; or (iii) there is a completion of an audit resulting in a settlement of that tax year with the appropriate agency. Uncertain tax positions are classified as current only when the Company expects to pay cash within the next twelve months. Interest and penalties are recorded within the income tax benefit (provision) in the Company's consolidated statements of operations and are classified on the consolidated balance sheets together with the related liability for unrecognized tax benefits.

See Note 10 for further discussion of the Company's income taxes.

Derivative Financial Instruments

The Company records derivative financial instruments on its consolidated balance sheets at fair value. Changes in the fair value of derivative instruments that are designated and qualify for hedge accounting are either (i) offset through earnings against the changes in fair value of the related hedged assets, liabilities, or firm commitments or (ii) recognized in equity as a component of AOCI until the hedged item is recognized in earnings, depending on whether the instrument is hedging against changes in fair value or cash flows and net investments, respectively.

Each derivative instrument that qualifies for hedge accounting is expected to be highly effective in offsetting the risk associated with the related exposure. For each instrument that is designated as a hedge, the Company documents the related risk management objective and strategy, including identification of the hedging instrument, the hedged item, and the risk exposure, as well as how hedge effectiveness will be assessed over the instrument's term. To assess hedge effectiveness at the inception of a hedging relationship, the Company generally uses regression analysis, a statistical method, to compare changes in the fair value of the derivative instrument to changes in the fair value or cash flows of the related hedged item. The extent to which a hedging instrument has been and is expected to remain highly effective in achieving offsetting changes in fair value or cash flows is assessed by the Company on at least a quarterly basis.

Given its use of derivative instruments, the Company is exposed to the risk that counterparties to such contracts will fail to meet their contractual obligations. To mitigate such counterparty credit risk, the Company has a policy of only entering into contracts with carefully selected financial institutions based upon an evaluation of their credit ratings and certain other factors, adhering to established limits for credit exposure. The Company's established policies and procedures for mitigating credit risk from derivative transactions include ongoing review and assessment of its counterparties' creditworthiness. The Company also enters into master netting arrangements with counterparties, when possible, to further mitigate credit risk. In the event of default or termination (as such terms are defined within the respective master netting arrangement), these arrangements allow the Company to net-settle amounts payable and receivable related to multiple derivative transactions with the same counterparty. The master netting arrangements specify a number of events of default and termination, including the failure to make timely payments.

The fair values of the Company's derivative instruments are recorded on its consolidated balance sheets on a gross basis. For cash flow reporting purposes, proceeds received or amounts paid upon the settlement of a derivative instrument are classified in the same manner as the related item being hedged, primarily within cash flows from operating activities.

Cash Flow Hedges

The Company uses forward foreign currency exchange contracts to mitigate its risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency. To the extent designated as cash flow hedges, related gains or losses on such instruments are initially deferred in equity as a component of AOCI and are subsequently recognized within cost of goods sold in the consolidated statements of operations when the related inventory is sold.

If a derivative instrument is dedesignated or if hedge accounting is discontinued because the instrument is not expected to be highly effective in hedging the designated exposure, any further gains (losses) are recognized in earnings each period within other income (expense), net. Upon discontinuance of hedge accounting, the cumulative change in fair value of the derivative instrument recorded in AOCI is recognized in earnings when the related hedged item affects earnings, consistent with the hedging strategy, unless the related forecasted transaction is probable of not occurring, in which case the accumulated amount is immediately recognized in earnings within other income (expense), net.

Hedges of Net Investments in Foreign Operations

The Company periodically uses cross-currency swap contracts and forward foreign currency exchange contracts to reduce risk associated with exchange rate fluctuations on certain of its net investments in foreign subsidiaries. Changes in the fair values of such derivative instruments that are designated as hedges of net investments in foreign operations are recorded in equity as a component of AOCI in the same manner as foreign currency translation adjustments. In assessing the effectiveness of such hedges, the Company uses a method based on changes in spot rates to measure the impact of foreign currency exchange rate fluctuations on both its foreign subsidiary net investment and the related hedging instrument. Under this method, changes in the fair value of the hedging instrument other than those due to changes in the spot rate are initially recorded in AOCI as a translation adjustment and are amortized into earnings as interest expense using a systematic and rational method over the instrument's term. Changes in fair value associated with the effective portion (i.e., those due to changes in the spot rate) are recorded in AOCI as a translation adjustment and are released and recognized in earnings only upon the sale or liquidation of the hedged net investment.

Fair Value Hedges

Changes in the fair value of a derivative instrument that is designated as a fair value hedge, along with offsetting changes in the fair value of the related hedged item attributable to the hedged risk, are recorded in earnings. To the extent that the change in the fair value of the hedged item does not fully offset the change in the fair value of the hedging instrument, the resulting net impact is reflected in earnings within the income statement line item associated with the hedged item.

Undesignated Hedges

The Company uses undesignated hedges primarily to hedge foreign currency exchange rate risk related to third-party and intercompany balances and exposures. Changes in the fair value of undesignated derivative instruments are recognized in earnings each period within other income (expense), net.

See Note 13 for further discussion of the Company's derivative financial instruments.

4. Recently Issued Accounting Standards*Implementation Costs in Cloud Computing Arrangements*

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2018-15, "Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract" ("ASU 2018-15"). ASU 2018-15 addresses diversity in practice surrounding the accounting for costs incurred to implement a cloud computing hosting arrangement that is a service contract by establishing a model for capitalizing or expensing such costs, depending on their nature and the stage of the implementation project during which they are incurred. Any capitalized costs are to be amortized over the reasonably certain term of the hosting arrangement and presented in the same line within the statement of operations as the related service arrangement's fees. ASU 2018-15 also requires enhanced qualitative and quantitative disclosures surrounding hosting arrangements that are service contracts. ASU 2018-15 is effective for the Company beginning in its Fiscal 2021, with early adoption permitted, and may be adopted on either a retrospective or prospective basis. Other than the new disclosure requirements, the Company does not currently expect that the adoption of ASU 2018-15 will have a material impact on its consolidated financial statements.

Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income

In February 2018, the FASB issued ASU No. 2018-02, "Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income" ("ASU 2018-02"). Existing accounting guidance requires the remeasurement of deferred tax assets and liabilities resulting from a change in tax laws or rates to be included in net income, including the remeasurement of deferred taxes related to items recorded within AOCI. ASU 2018-02 provides an entity with the option to adjust AOCI for the "stranded" tax effect of such remeasurements resulting from the reduction in the U.S. federal statutory income tax rate under the 2017 Tax Cuts and Jobs Act (the "TCJA") through a reclassification to retained earnings.

The Company adopted ASU 2018-02 as of the beginning of the first quarter of Fiscal 2020 and elected to reclassify the income tax effect stranded in AOCI related to the TCJA, inclusive of state income tax-related effects, resulting in a \$4.9 million increase to its opening retained earnings. The Company generally releases income tax effects from AOCI when the corresponding pretax AOCI items are reclassified to earnings.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU No. 2016-13, "Measurement of Credit Losses on Financial Instruments" ("ASU 2016-13"). ASU 2016-13, which was further updated and clarified by the FASB through issuance of additional related ASUs, amends the guidance surrounding measurement and recognition of credit losses on financial assets measured at amortized cost, including trade receivables and investments in certain debt securities, by requiring upfront recognition of an allowance for credit losses expected to be incurred over an asset's lifetime based on relevant information about past events, current conditions, and supportable forecasts impacting its ultimate collectibility. It is expected that application of this "expected loss" model will result in earlier recognition of credit losses than the current "as incurred" model, under which losses are recognized only upon occurrence of an event that gives rise to the incurrence of a probable loss. While the Company's historical bad debt write-off activity has generally been insignificant, similar to current practice, the extent of losses ultimately recognized will depend on prevailing

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

conditions and ongoing consideration of information and forecasts that inform assessments of collectability. ASU 2016-13 is effective for the Company beginning in its Fiscal 2021, with early adoption permitted, and is to be adopted on a modified retrospective basis.

Leases

In February 2016, the FASB issued ASU No. 2016-02, "Leases." ASU No. 2016-02, along with certain other ASUs that were subsequently issued to clarify and modify certain of its provisions (collectively "ASU 2016-02"), supersedes historical lease accounting guidance and requires that, among its provisions, a lessee's rights and fixed payment obligations under most leases be recognized as ROU assets and lease liabilities on its balance sheet, initially measured based on the present value of its fixed payment obligations over the lease term. Under historical guidance, only those leases classified as capital were recognized on a lessee's balance sheet; operating leases were not recognized on the balance sheet. ASU 2016-02 retains a dual model for classifying leases as either finance (formerly referred to as "capital") or operating, consistent with historical guidance, which governs the pattern of expense recognition reflected in the statement of operations over the lease term. Accordingly, recognition of lease expense in the statement of operations will not significantly change. Additionally, variable lease payments based on performance, such as percentage-of-sales-based payments, are not included in the measurement of ROU assets and lease liabilities and, consistent with historical practice, are recognized as an expense in the period incurred. The standard also requires enhanced quantitative and qualitative lease-related disclosures.

The Company adopted ASU 2016-02 as of the beginning of the first quarter of Fiscal 2020 using a modified retrospective approach under which the cumulative effect of initially applying the standard was recognized as an adjustment to its opening retained earnings (discussed further below), with no restatement of prior year amounts. In connection therewith, the Company applied an optional package of practical expedients intended to ease transition to the standard for existing leases by, among its provisions, carrying forward its original lease classification conclusions without reassessment. Upon adoption of ASU 2016-02, the Company recognized initial ROU asset and lease liability balances of approximately \$1.60 billion and \$1.75 billion, respectively, on its consolidated balance sheet.

Additionally, in connection with its adoption of ASU 2016-02, the Company recorded an adjustment to reduce its opening retained earnings balance by \$131.6 million, net of related income tax benefits, reflecting the impairment of an ROU asset for a certain real estate lease of which, under historical accounting guidance, the Company was previously deemed the owner for accounting purposes (commonly referred to as a "build-to-suit" lease arrangement). Specifically, although the Company no longer generates revenue or other cash flows from its rights underlying the leased asset given it no longer actively uses the space for commercial purposes, the asset was previously not considered impaired under historical accounting guidance as its fair value, assessed from an ownership perspective (and not from that of a lessee), exceeded its carrying value. However, in accordance with and upon transitioning to ASU 2016-02, the Company derecognized the remaining asset and liability balances previously recognized solely as a result of the arrangement's build-to-suit designation, as the related construction activities that originally gave rise to such designation have since ended, and established initial ROU asset and lease liability balances measured based on the Company's remaining fixed payment obligations under the lease. The initial ROU asset was then assessed for impairment based on the aggregate estimated cash flows that could be generated by transferring the lease to a market participant sublessee for the remainder of its term, which were lower than the aggregate remaining lease payments underlying the measurement of the initial ROU asset. Accordingly, the Company impaired the initial ROU asset by \$175.4 million to its estimated fair value which was recorded as a reduction to its opening retained earnings balance, net of related income tax benefits of \$43.8 million, upon adoption of ASU 2016-02, as previously noted.

The Company also recorded other initial ROU asset impairments to reduce its opening retained earnings balance upon adoption of the standard related to leases of certain underperforming retail locations for which the carrying value of the respective store's initial operating lease ROU asset exceeded its fair value. These impairments totaled \$49.7 million and were recorded as adjustments to reduce the Company's opening retained earnings balance by \$37.8 million, net of related income tax effects. Leasehold improvements related to these underperforming retail locations were previously fully-impaired prior to the adoption of ASU 2016-02.

See Notes 3 and 14 for further discussion of the Company's lease accounting policy and other related disclosures.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

5. Property and Equipment

Property and equipment, net consists of the following:

	March 28, 2020	March 30, 2019
	(millions)	
Land and improvements	\$ 15.3	\$ 15.3
Buildings and improvements	309.0	387.8
Furniture and fixtures	629.5	626.4
Machinery and equipment	378.8	350.4
Capitalized software	543.3	534.0
Leasehold improvements	1,194.5	1,169.4
Construction in progress	37.5	58.7
	<u>3,107.9</u>	<u>3,142.0</u>
Less: accumulated depreciation	<u>(2,128.4)</u>	<u>(2,102.8)</u>
Property and equipment, net	<u>\$ 979.5</u>	<u>\$ 1,039.2</u>

Depreciation expense was \$246.6 million, \$257.8 million, and \$271.2 million during Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively, and is recorded primarily within SG&A expenses in the consolidated statements of operations.

6. Goodwill and Other Intangible Assets

Goodwill

The following table details the changes in goodwill for each of the Company's segments during Fiscal 2020 and Fiscal 2019:

	North America	Europe	Asia	Other Non- reportable Segments ^(a)	Total ^(a)
	(millions)				
Balance at March 31, 2018	\$ 421.8	\$ 317.9	\$ 78.8	\$ 132.0	\$ 950.5
Foreign currency translation	—	(27.9)	(3.0)	—	(30.9)
Balance at March 30, 2019	<u>421.8</u>	<u>290.0</u>	<u>75.8</u>	<u>132.0</u>	<u>919.6</u>
Foreign currency translation	—	(4.9)	0.8	—	(4.1)
Balance at March 28, 2020	<u>\$ 421.8</u>	<u>\$ 285.1</u>	<u>\$ 76.6</u>	<u>\$ 132.0</u>	<u>\$ 915.5</u>

^(a) The goodwill balance for each period presented is net of accumulated impairment charges of \$5.2 million related to the Company's other non-reportable segments.

Based on the results of the Company's goodwill impairment testing in Fiscal 2020, Fiscal 2019, and Fiscal 2018, no goodwill impairment charges were recorded. See Note 12 for further discussion of the Company's goodwill impairment testing.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Other Intangible Assets

Other intangible assets consist of the following:

	March 28, 2020			March 30, 2019		
	Gross Carrying Amount	Accum. Amort.	Net	Gross Carrying Amount	Accum. Amort.	Net
	(millions)					
<i>Intangible assets subject to amortization:</i>						
Re-acquired licensed trademarks	\$ 231.6	\$ (155.4)	\$ 76.2	\$ 231.3	\$ (146.8)	\$ 84.5
Customer relationships	253.9	(199.0)	54.9	253.2	(184.0)	69.2
Other	10.1	(7.5)	2.6	10.1	(7.4)	2.7
Total intangible assets subject to amortization	495.6	(361.9)	133.7	494.6	(338.2)	156.4
<i>Intangible assets not subject to amortization:</i>						
Trademarks and brands	7.3	N/A	7.3	7.3	N/A	7.3
Total intangible assets	\$ 502.9	\$ (361.9)	\$ 141.0	\$ 501.9	\$ (338.2)	\$ 163.7

Amortization Expense

Amortization expense was \$22.9 million, \$23.5 million, and \$24.0 million during Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively, and is recorded within SG&A expenses in the consolidated statements of operations.

Based on the balance of the Company's finite-lived intangible assets subject to amortization as of March 28, 2020, the expected amortization expense for each of the next five fiscal years and thereafter is as follows:

	Amortization Expense
	(millions)
Fiscal 2021	\$ 19.8
Fiscal 2022	17.9
Fiscal 2023	14.4
Fiscal 2024	13.2
Fiscal 2025	12.9
Fiscal 2026 and thereafter	55.5
Total	\$ 133.7

The expected future amortization expense above reflects weighted-average estimated remaining useful lives of 9.9 years for re-acquired licensed trademarks, 7.9 years for customer relationships, and 9.2 years for the Company's finite-lived intangible assets in total.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

7. Other Assets and Liabilities

Prepaid expenses and other current assets consist of the following:

	March 28, 2020	March 30, 2019
	(millions)	
Non-trade receivables	\$ 27.0	\$ 30.8
Other taxes receivable	24.7	137.9
Prepaid software maintenance	23.2	19.8
Derivative financial instruments	13.7	19.8
Prepaid advertising and marketing	10.1	9.6
Inventory return asset	8.9	18.4
Prepaid occupancy expense	6.7	38.0
Tenant allowances receivable	1.8	8.2
Restricted cash	1.4	11.9
Assets held-for-sale ^(a)	—	20.8
Other prepaid expenses and current assets	43.3	44.1
Total prepaid expenses and other current assets	<u>\$ 160.8</u>	<u>\$ 359.3</u>

^(a) Balance as of March 30, 2019 related to the estimated fair value, less costs to sell, of the Company's corporate jet. The jet was sold during Fiscal 2020 with no gain or loss recognized on sale. The Company donated the \$20.8 million net cash proceeds received from the sale to the Ralph Lauren Corporate Foundation (formerly known as the Polo Ralph Lauren Foundation), a non-profit, charitable foundation that supports various philanthropic programs.

Other non-current assets consist of the following:

	March 28, 2020	March 30, 2019
	(millions)	
Derivative financial instruments	\$ 48.6	\$ 12.2
Security deposits	29.4	24.5
Restricted cash	8.0	30.5
Non-current investments	—	44.9
Other non-current assets	25.9	46.4
Total other non-current assets	<u>\$ 111.9</u>	<u>\$ 158.5</u>

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accrued expenses and other current liabilities consist of the following:

	March 28, 2020	March 30, 2019
	(millions)	
Accrued payroll and benefits	\$ 186.2	\$ 232.5
Accrued operating expenses	176.4	235.2
Accrued inventory	167.1	141.0
Dividends payable	49.8	48.8
Other taxes payable	47.9	158.3
Accrued capital expenditures	29.1	47.6
Restructuring reserve	25.5	60.4
Deferred income	14.6	14.1
Finance lease obligations	9.8	22.3
Derivative financial instruments	6.9	3.6
Other accrued expenses and current liabilities	3.8	4.6
Total accrued expenses and other current liabilities	<u>\$ 717.1</u>	<u>\$ 968.4</u>

Other non-current liabilities consist of the following:

	March 28, 2020	March 30, 2019
	(millions)	
Finance lease obligations	\$ 189.4	\$ 212.6
Deferred lease incentives and obligations	57.8	202.7
Accrued benefits and deferred compensation	19.5	26.2
Deferred tax liabilities	10.0	50.2
Restructuring reserve	2.0	11.4
Derivative financial instruments	—	11.9
Other non-current liabilities	29.8	25.9
Total other non-current liabilities	<u>\$ 308.5</u>	<u>\$ 540.9</u>

8. Impairment of Assets

During Fiscal 2020, the Company recorded non-cash impairment charges of \$31.6 million to write-down certain long-lived assets, of which \$8.7 million was recorded in connection with its restructuring plans (see Note 9) and \$22.9 million of which related to underperforming stores identified through its on-going store portfolio evaluation and adverse impacts associated with COVID-19 business disruptions. These charges were recorded within impairment of assets in the consolidated statements of operations. In addition, the Company recorded a \$7.1 million impairment charge within other income (expense), net in the consolidated statements of operations during Fiscal 2020 relating to an equity method investment.

During Fiscal 2019, the Company recorded non-cash impairment charges of \$21.2 million to write-down certain long-lived assets, of which \$10.7 million was recorded in connection with its restructuring plans (see Note 9) and \$10.5 million of which related to underperforming stores identified as a result of its on-going store portfolio evaluation. Additionally, as a result of its decision to sell its corporate jet in connection with its cost savings initiative, the Company recorded a non-cash impairment charge of \$4.6 million during Fiscal 2019 to reduce the carrying value of the asset held-for-sale to its estimated fair value, less costs to sell.

During Fiscal 2018, the Company recorded non-cash impairment charges of \$41.2 million, to write-down certain long-lived assets, of which \$16.0 million was recorded in connection with its restructuring plans (see Note 9) and \$25.2 million of which related to underperforming stores identified as a result of its on-going store portfolio evaluation. Additionally, as a result of a

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

change in the planned usage of a certain intangible asset, the Company recorded a non-cash impairment charge of \$8.8 million during Fiscal 2018 to reduce the carrying value of the intangible asset to its estimated fair value.

See Note 12 for further discussion of the non-cash impairment charges recorded during the fiscal years presented.

9. Restructuring and Other Charges

A description of significant restructuring and other activities and their related costs is included below.

Fiscal 2019 Restructuring Plan

On June 4, 2018, the Company's Board of Directors approved a restructuring plan associated with the Company's strategic objective of operating with discipline to drive sustainable growth (the "Fiscal 2019 Restructuring Plan"). The Fiscal 2019 Restructuring Plan includes the following restructuring-related activities: (i) rightsizing and consolidation of the Company's global distribution network and corporate offices; (ii) targeted severance-related actions; and (iii) closure of certain of its stores and shop-within-shops.

Actions associated with the Fiscal 2019 Restructuring Plan are complete and no additional charges are expected to be incurred in connection with this plan. A summary of the charges recorded in connection with the Fiscal 2019 Restructuring Plan during the fiscal periods presented, as well as the cumulative charges recorded since its inception, is as follows:

	Fiscal Year Ended		Cumulative Charges
	March 28, 2020	March 30, 2019	
	(millions)		
Cash-related restructuring charges:			
Severance and benefit costs	\$ 30.1	\$ 60.2	\$ 90.3
Lease termination and store closure costs	0.5	1.8	2.3
Other cash charges	3.4	7.4	10.8
Total cash-related restructuring charges	<u>34.0</u>	<u>69.4</u>	<u>103.4</u>
Non-cash charges:			
Impairment of assets (see Note 8)	8.7	10.3	19.0
Inventory-related charges ^(a)	2.2	6.0	8.2
Accelerated stock-based compensation expense ^(b)	3.6	—	3.6
Loss on sale of property ^(c)	—	11.6	11.6
Total non-cash charges	<u>14.5</u>	<u>27.9</u>	<u>42.4</u>
Total charges	<u>\$ 48.5</u>	<u>\$ 97.3</u>	<u>\$ 145.8</u>

^(a) Inventory-related charges are recorded within cost of goods sold in the consolidated statements of operations.

^(b) Accelerated stock-based compensation expense, which is recorded within restructuring and other charges in the consolidated statements of operations, was recorded in connection with vesting provisions associated with certain separation agreements.

^(c) Loss on sale of property, which was recorded within restructuring and other charges in the consolidated statements of operations during Fiscal 2019, was incurred in connection with the sale of one of the Company's distribution centers in North America. Total cash proceeds from the sale were \$20.0 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

A summary of the activity in the restructuring reserve related to the Fiscal 2019 Restructuring Plan is as follows:

	Severance and Benefit Costs	Lease Termination and Store Closure Costs	Other Cash Charges	Total
	(millions)			
Balance at March 31, 2018	\$ —	\$ —	\$ —	\$ —
Additions charged to expense	60.2	1.8	7.4	69.4
Cash payments charged against reserve	(19.0)	(2.1)	(7.3)	(28.4)
Non-cash adjustments	(0.2)	0.8	—	0.6
Balance at March 30, 2019	41.0	0.5	0.1	41.6
Additions charged to expense	30.1	0.5	3.4	34.0
Cash payments charged against reserve	(47.6)	(0.6)	(2.9)	(51.1)
Non-cash adjustments ^(a)	—	(0.4)	—	(0.4)
Balance at March 28, 2020	\$ 23.5	\$ —	\$ 0.6	\$ 24.1

^(a) Certain lease-related liabilities previously recognized in connection with the Company's closure and cessation of use of real estate locations were reclassified and reflected as reductions of the respective operating lease ROU assets initially recognized upon adoption of ASU 2016-02 (see Note 4).

Way Forward Plan

On June 2, 2016, the Company's Board of Directors approved a restructuring plan with the objective of delivering sustainable, profitable sales growth and long-term value creation for shareholders (the "Way Forward Plan"). In connection with the Way Forward Plan, the Company refocused on its core brands and its product, marketing, and shopping experience to increase desirability and relevance. It also evolved its operating model by significantly improving quality of sales, reducing supply chain lead times, improving its sourcing, and executing a disciplined multi-channel distribution and expansion strategy. The Company reduced its cost structure and implemented a return on investment-driven financial model to free up resources to invest in the brand and drive high-quality sales. The Company also strengthened its leadership team and created a more nimble organization by moving from an average of nine to six layers of management. The Way Forward Plan also included the discontinuance of the Company's Denim & Supply brand and the integration of its denim product offerings into its Polo Ralph Lauren brand. Collectively, these actions, which were substantially completed during the Company's fiscal year ended April 1, 2017 ("Fiscal 2017"), resulted in a reduction in workforce and the closure of certain stores and shop-within-shops.

On March 30, 2017, the Company's Board of Directors approved the following additional restructuring-related activities associated with the Way Forward Plan: (i) the restructuring of its in-house global digital commerce platform which was in development and shifting to a more cost-effective, flexible platform through a new agreement with Salesforce's Commerce Cloud, formerly known as Demandware; (ii) the closure of its Polo store at 711 Fifth Avenue in New York City; and (iii) the further streamlining of the organization and the execution of other key corporate actions. These additional restructuring-related activities were largely completed during Fiscal 2018 and resulted in a further reduction in workforce and the closure of certain corporate office and store locations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Actions associated with the Way Forward Plan are complete and no additional charges are expected to be incurred in connection with this plan. A summary of the charges recorded in connection with the Way Forward Plan during the fiscal periods presented, as well as the cumulative charges recorded since its inception, is as follows:

	Fiscal Years Ended		Cumulative Charges
	March 30, 2019	March 31, 2018	
	(millions)		
Cash-related restructuring charges:			
Severance and benefits costs	\$ 7.0	\$ 39.0	\$ 228.7
Lease termination and store closure costs	1.4	33.2	121.9
Other cash charges	0.8	6.3	26.2
Total cash-related restructuring charges	9.2	78.5	376.8
Non-cash charges:			
Impairment of assets (see Note 8)	0.4	16.0	251.0
Inventory-related charges ^(a)	1.2	7.6	206.7
Accelerated stock-based compensation expense ^(b)	—	0.7	0.7
Other non-cash charges	3.4	—	3.4
Total non-cash charges	5.0	24.3	461.8
Total charges	\$ 14.2	\$ 102.8	\$ 838.6

(a) Cumulative inventory-related charges include \$155.2 million associated with the destruction of inventory out of current liquidation channels. Inventory-related charges are recorded within cost of goods sold in the consolidated statements of operations.

(b) Accelerated stock-based compensation expense, which is recorded within restructuring and other charges in the consolidated statements of operations, was recorded in connection with vesting provisions associated with certain separation agreements.

A summary of the activity in the restructuring reserve related to the Way Forward Plan is as follows:

	Severance and Benefits Costs	Lease Termination and Store Closure Costs	Other Cash Charges	Total
	(millions)			
Balance at April 1, 2017	\$ 94.3	\$ 34.3	\$ 6.6	\$ 135.2
Additions charged to expense	39.0	33.2	6.3	78.5
Cash payments charged against reserve	(97.9)	(22.8)	(11.1)	(131.8)
Non-cash adjustments	2.2	8.8	—	11.0
Balance at March 31, 2018	37.6	53.5	1.8	92.9
Additions charged to expense	7.0	1.4	0.8	9.2
Cash payments charged against reserve	(37.7)	(33.6)	(2.2)	(73.5)
Non-cash adjustments	(0.4)	0.6	—	0.2
Balance at March 30, 2019	6.5	21.9	0.4	28.8
Additions charged to expense	—	—	—	—
Cash payments charged against reserve	(4.9)	(2.1)	(0.1)	(7.1)
Non-cash adjustments ^(a)	—	(18.3)	—	(18.3)
Balance at March 28, 2020	\$ 1.6	\$ 1.5	\$ 0.3	\$ 3.4

-
- (a) Includes \$17.7 million of certain lease-related liabilities previously recognized in connection with the Company's closure and cessation of use of real estate locations that were reclassified and reflected as reductions of the respective operating lease ROU assets initially recognized upon adoption of ASU 2016-02 (see Note 4).

Other Restructuring Plans

The Company made cash payments of \$0.2 million, \$3.2 million, and \$7.6 million during Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively, which were applied against the reserve associated with its restructuring plan initiated prior to Fiscal 2017. Additionally, during Fiscal 2020, \$1.2 million of lease-related liabilities previously recognized in connection with the Company's closure and cessation of use of real estate locations were reclassified and reflected as reductions of the respective operating lease ROU assets initially recognized upon adoption of ASU 2016-02 (see Note 4). As of March 28, 2020, there was no remaining restructuring reserve associated with this plan, and no charges were recorded for this plan in any of the fiscal years presented.

Other Charges

During Fiscal 2020, the Company recorded other charges of \$20.8 million related to the donation of net cash proceeds received from the sale of its corporate jet. This donation was made to the Ralph Lauren Corporate Foundation (formerly known as the Polo Ralph Lauren Foundation), a non-profit, charitable foundation that supports various philanthropic programs. Additionally, during Fiscal 2020, the Company recorded other charges of \$8.8 million primarily related to rent and occupancy costs associated with certain previously exited real estate locations for which the related lease agreements have not yet expired.

During Fiscal 2019, the Company recorded other charges of \$14.1 million related to depreciation expense associated with the Company's former Polo store at 711 Fifth Avenue in New York City, recorded after the store closed during the first quarter of Fiscal 2018. Additionally, during Fiscal 2019, the Company recorded other charges of \$4.2 million primarily related to a customs audit, as well as \$18.2 million primarily related to the launch of its new sabbatical leave program, which entitles eligible employees to periodic paid leave based on the attainment of certain employment tenure milestones. Other than this initial charge to establish its estimated liability for services rendered to-date, the Company does not expect there will be a significant, ongoing impact to the consolidated financial statements in future periods related to its sabbatical leave program.

During Fiscal 2018, the Company recorded other charges of \$14.1 million related to depreciation expense associated with the Company's former Polo store at 711 Fifth Avenue in New York City, \$10.2 million related to a customs audit, and \$6.7 million (inclusive of accelerated stock-based compensation expense of \$2.1 million) primarily related to the departure of Mr. Stefan Larsson as the Company's President and Chief Executive Officer and as a member of its Board of Directors, effective as of May 1, 2017. Refer to the Form 8-K filed on February 2, 2017 for additional discussion regarding the departure of Mr. Larsson. These other charges recorded in Fiscal 2018 were partially offset by the favorable impact of \$2.2 million related to the reversal of reserves associated with the settlement of certain non-income tax issues.

10. Income Taxes

Swiss Tax Reform

In May 2019, a public referendum was held in Switzerland that approved the Federal Act on Tax Reform and AHV Financing (the "Swiss Tax Act"), which became effective January 1, 2020. The Swiss Tax Act eliminates certain preferential tax items at both the federal and cantonal levels for multinational companies and provides the cantons with parameters for establishing local tax rates and regulations. The Swiss Tax Act also provides transitional provisions, one of which allows eligible companies to increase the tax basis of certain assets based on the value generated by their business in previous years, and to amortize such adjustment as a tax deduction over a transitional period.

During the second quarter of Fiscal 2020, the Swiss Tax Act was enacted into law, resulting in an immaterial adjustment associated with the revaluation of the Company's Swiss deferred tax assets and liabilities and estimated annual effective tax rate. Subsequently, as a result of additional information received from the tax authorities and analyses performed related to the transitional provision noted above, the Company recorded a one-time income tax benefit and corresponding deferred tax asset of \$122.9 million during Fiscal 2020. This one-time benefit decreased the Company's effective tax rate by 3,760 basis points during Fiscal 2020.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

U.S. Tax Reform

On December 22, 2017, President Trump signed into law new tax legislation commonly referred to as the Tax Cuts and Jobs Act (the "TCJA"), which became effective January 1, 2018. The TCJA significantly revised U.S. tax law by, among other provisions, lowering the U.S. federal statutory income tax rate from 35% to 21%, creating a territorial tax system that includes a one-time mandatory transition tax on previously deferred foreign earnings, and eliminating or reducing certain income tax deductions.

ASC Topic 740, "Income Taxes," requires the effects of changes in tax laws to be recognized in the period in which the legislation is enacted. However, due to the complexity and significance of the TCJA's provisions, the SEC staff issued Staff Accounting Bulletin No. 118 ("SAB 118") on December 22, 2017, which allowed companies to record the tax effects of the TCJA on a provisional basis based on a reasonable estimate, and then, if necessary, subsequently adjust such amounts during a limited measurement period as additional information became available and further analyses were completed. The measurement period ends when a company has obtained, prepared, and analyzed the information necessary to finalize its accounting, not to extend beyond one year from enactment.

During the third quarter of Fiscal 2018, the Company recorded charges of \$231.3 million within its income tax provision in connection with the TCJA, of which \$215.5 million related to the mandatory transition tax, and \$15.8 million related to the revaluation of the Company's deferred tax assets and liabilities. Subsequently, as a result of finalizing its full Fiscal 2018 operating results, the issuance of new interpretive guidance, and other analyses performed, the Company recorded measurement period adjustments during the fourth quarter of Fiscal 2018, whereby it reversed \$6.2 million of the charges related to the mandatory transition tax and \$5.5 million related to the revaluation of its deferred taxes. These reversals were partially offset by an incremental charge of \$1.8 million related to the expected future remittance of certain previously deferred foreign earnings. Collectively, these net charges of \$221.4 million, which were recorded on a provisional basis, increased the Company's effective tax rate by 4,520 basis points during Fiscal 2018.

During the second quarter of Fiscal 2019, the Company recorded an additional measurement period adjustment as a result of the issuance of new interpretive guidance related to stock-based compensation for certain executives, whereby it recorded an income tax benefit and corresponding deferred tax asset of \$4.7 million. Subsequently, during the third quarter of Fiscal 2019, the Company completed its analyses and recorded its final measurement period adjustments, whereby it recorded incremental charges of \$32.3 million within its income tax provision, substantially all of which related to the mandatory transition tax. These measurement period adjustments increased the Company's effective tax rate by 470 basis points during Fiscal 2019. Approximately \$241 million of the cumulative TCJA enactment-related charges recorded related to the mandatory transition tax (see Note 15).

Additionally, during the fourth quarter of Fiscal 2018 the Company reevaluated its permanent reinvestment assertion and determined that undistributed foreign earnings that were subject to the one-time mandatory transition tax were no longer considered to be permanently reinvested, effective December 31, 2017. The mandatory transition tax does not apply to undistributed foreign earnings generated after December 31, 2017, and therefore the Company intends to permanently reinvest such earnings. See "Deferred Taxes" for additional discussion.

The Company also decided to account for the minimum tax on global intangible low-taxed income ("GILTI") in the period in which it is incurred and therefore has not provided any deferred tax impacts of GILTI in its consolidated financial statements for Fiscal 2019.

Taxes on Income

Domestic and foreign pretax income are as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Domestic	\$ (82.9)	\$ 66.6	\$ 16.4
Foreign	409.3	515.9	472.8
Total income before income taxes	<u>\$ 326.4</u>	<u>\$ 582.5</u>	<u>\$ 489.2</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Benefits (provisions) for current and deferred income taxes are as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Current:			
Federal	\$ 1.5	\$ (37.3)	\$ (154.6)
State and local	(19.8)	(11.9)	(5.0)
Foreign	(92.6)	(93.9)	(82.7)
	<u>(110.9)</u>	<u>(143.1)</u>	<u>(242.3)</u>
Deferred:			
Federal	18.0	(5.0)	(64.1)
State and local	5.6	(6.9)	(12.6)
Foreign	145.2	3.4	(7.4)
	<u>168.8</u>	<u>(8.5)</u>	<u>(84.1)</u>
Total income tax benefit (provision)	<u>\$ 57.9</u>	<u>\$ (151.6)</u>	<u>\$ (326.4)</u>

Tax Rate Reconciliation

The differences between income taxes expected at the U.S. federal statutory income tax rate and income taxes provided are as set forth below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Provision for income taxes at the U.S. federal statutory rate ^(a)	\$ (68.5)	\$ (122.3)	\$ (154.3)
Change due to:			
State and local income taxes, net of federal benefit	(1.5)	(12.4)	(1.6)
Foreign income taxed at different rates, net of U.S. foreign tax credits	24.7	27.6	74.7
Unrecognized tax benefits and settlements of tax examinations	(9.2)	(3.4)	(14.4)
Changes in valuation allowance on deferred tax assets	(1.7)	(1.4)	2.5
TCJA enactment-related charges	—	(27.6)	(221.4)
Swiss Tax Act benefit	125.3	—	—
Compensation-related adjustments	(10.7)	(11.6)	(15.4)
Other	(0.5)	(0.5)	3.5
Total income tax benefit (provision)	<u>\$ 57.9</u>	<u>\$ (151.6)</u>	<u>\$ (326.4)</u>
Effective tax rate ^(b)	<u>(17.7%)</u>	<u>26.0%</u>	<u>66.7%</u>

^(a) The U.S. federal statutory income tax rate was 21.0% during Fiscal 2020 and Fiscal 2019. The previous statutory rate of 35.0% was reduced to 21.0% by the TCJA effective January 1, 2018, resulting in a blended statutory rate of 31.5% for the Company's Fiscal 2018.

^(b) Effective tax rate is calculated by dividing the income tax benefit (provision) by income (loss) before income taxes.

The Company's Fiscal 2020 effective tax rate was lower than the U.S. federal statutory income tax rate of 21% primarily due to the one-time income tax benefit recorded in connection with the Swiss Tax Act, as previously discussed, the favorable impact of the change in geographic mix of its worldwide earnings and the favorable impact of tax benefits associated with provision to tax return adjustments, partially offset by the unfavorable impact of additional income tax reserves associated with certain income tax audits. The Company's Fiscal 2019 effective tax rate was higher than the U.S. federal statutory income tax rate of 21%

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primarily due to the SAB 118 measurement period adjustments recorded, as previously discussed, state and local income taxes, and compensation-related adjustments, partially offset by the favorable impact of the proportion of earnings generated in lower taxed jurisdictions. The Company's Fiscal 2018 effective tax rate was higher than the blended statutory rate of 31.5% primarily due to the enactment-related charges recorded in connection with the TCJA, as previously discussed, the negative impact of the adoption of ASU No. 2016-09, "Improvements to Employee Share-Based Payment Accounting" ("ASU 2016-09"), and the unfavorable impact of additional income tax reserves associated with certain income tax audits, partially offset by the favorable impact of the proportion of earnings generated in lower taxed foreign jurisdictions versus the U.S. and tax benefits associated with adjustments recorded on deferred tax assets and provision to tax return adjustments.

Deferred Taxes

Significant components of the Company's deferred tax assets and liabilities are as follows:

	March 28, 2020	March 30, 2019
	(millions)	
Lease liabilities	\$ 428.9	\$ 44.6
Inventory basis difference	54.0	19.0
Deferred compensation	50.2	53.4
Receivable allowances and reserves	45.6	25.6
Net operating loss carryforwards	42.6	48.9
Unrecognized tax benefits	17.1	8.1
Accrued expenses	10.5	11.8
Transfer pricing	9.0	9.0
Property and equipment	3.0	(24.6)
Deferred income	0.2	1.2
Deferred rent	—	7.3
Lease right-of-use assets	(353.0)	—
Goodwill and other intangible assets	(30.0)	(149.8)
Cumulative translation adjustment and hedges	(17.6)	(7.8)
Undistributed foreign earnings	(3.3)	(4.7)
Other	15.3	13.2
Valuation allowance	(37.3)	(38.4)
Net deferred tax assets ^(a)	<u>\$ 235.2</u>	<u>\$ 16.8</u>

^(a) Net deferred tax balances as of March 28, 2020 and March 30, 2019 were comprised of non-current deferred tax assets of \$245.2 million and \$67.0 million, respectively, recorded within deferred tax assets, and non-current deferred tax liabilities of \$10.0 million and \$50.2 million, respectively, recorded within other non-current liabilities in the consolidated balance sheets.

The Company has available state and foreign net operating loss carryforwards of \$0.7 million and \$5.9 million (both net of tax), respectively, for tax purposes to offset future taxable income. The net operating loss carryforwards expire beginning in Fiscal 2021.

The Company also has available state and foreign net operating loss carryforwards of \$7.8 million and \$28.1 million (both net of tax), respectively, for which no net deferred tax asset has been recognized. A full valuation allowance has been recorded against these carryforwards since the Company does not believe that it will more likely than not be able to utilize these carryforwards to offset future taxable income. Subsequent recognition of these deferred tax assets would result in an income tax benefit in the year of such recognition. The valuation allowance relating to state net operating loss carryforwards increased by \$0.6 million (net of tax) as a result of net operating losses in certain jurisdictions where the Company does not believe that it will more likely than not be able to utilize these carryforwards in the future. The valuation allowance relating to foreign net operating loss carryforwards decreased by \$1.1 million as a result of reductions in net operating losses in certain jurisdictions.

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As a result of the taxation of undistributed foreign earnings in connection with the TCJA, the Company reevaluated its permanent reinvestment assertion and determined that undistributed foreign earnings that were subject to the TCJA's one-time mandatory transition tax were no longer considered to be permanently reinvested, effective December 31, 2017. The mandatory transition tax does not apply to undistributed foreign earnings generated after December 31, 2017. Accordingly, provision has not been made for U.S. or additional foreign taxes on approximately \$924 million of undistributed earnings of foreign subsidiaries generated after December 31, 2017, as such earnings are expected to be permanently reinvested. These earnings could become subject to tax if they were remitted as dividends, if foreign earnings were lent to RLC, a subsidiary or a U.S. affiliate of RLC, or if the stock of the subsidiaries were sold. Determination of the amount of unrecognized deferred tax liability with respect to such earnings is not practicable.

Uncertain Income Tax Benefits

Fiscal 2020, Fiscal 2019, and Fiscal 2018 Activity

Reconciliations of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties, for Fiscal 2020, Fiscal 2019, and Fiscal 2018 are presented below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Unrecognized tax benefits beginning balance	\$ 65.2	\$ 64.2	\$ 49.9
Additions related to current period tax positions	6.0	4.9	6.8
Additions related to prior period tax positions	30.5	11.7	9.5
Reductions related to prior period tax positions	(18.7)	(5.5)	(1.3)
Reductions related to expiration of statutes of limitations	(1.2)	(4.1)	(3.3)
Reductions related to settlements with taxing authorities	(8.8)	(3.1)	(0.7)
Additions (reductions) related to foreign currency translation	(0.3)	(2.9)	3.3
Unrecognized tax benefits ending balance	<u>\$ 72.7</u>	<u>\$ 65.2</u>	<u>\$ 64.2</u>

The Company classifies interest and penalties related to unrecognized tax benefits as part of its provision for income taxes. Reconciliations of the beginning and ending amounts of accrued interest and penalties related to unrecognized tax benefits for Fiscal 2020, Fiscal 2019, and Fiscal 2018 are presented below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Accrued interest and penalties beginning balance	\$ 13.6	\$ 15.0	\$ 12.8
Net additions charged to expense	7.0	3.0	3.8
Reductions related to prior period tax positions	(1.9)	(3.4)	(1.6)
Reductions related to settlements with taxing authorities	(2.5)	(0.8)	(0.3)
Additions (reductions) related to foreign currency translation	—	(0.2)	0.3
Accrued interest and penalties ending balance	<u>\$ 16.2</u>	<u>\$ 13.6</u>	<u>\$ 15.0</u>

The total amount of unrecognized tax benefits, including interest and penalties, was \$88.9 million and \$78.8 million as of March 28, 2020 and March 30, 2019, respectively, and was included within the non-current liability for unrecognized tax benefits in the consolidated balance sheets. The total amount of unrecognized tax benefits that, if recognized, would affect the Company's effective tax rate was \$71.7 million and \$70.7 million as of March 28, 2020 and March 30, 2019, respectively.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Future Changes in Unrecognized Tax Benefits

The total amount of unrecognized tax benefits relating to the Company's tax positions is subject to change based on future events including, but not limited to, settlements of ongoing tax audits and assessments and the expiration of applicable statutes of limitations. Although the outcomes and timing of such events are highly uncertain, the Company does not anticipate that the balance of gross unrecognized tax benefits, excluding interest and penalties, will change significantly during the next twelve months. However, changes in the occurrence, expected outcomes, and timing of such events could cause the Company's current estimate to change materially in the future.

The Company files a consolidated U.S. federal income tax return, as well as tax returns in various state, local, and foreign jurisdictions. The Company is generally no longer subject to examinations by the relevant tax authorities for years prior to its fiscal year ended March 30, 2013.

11. Debt

Debt consists of the following:

	March 28, 2020	March 30, 2019
	(millions)	
\$300 million 2.625% Senior Notes ^(a)	\$ 299.6	\$ 293.4
\$400 million 3.750% Senior Notes ^(b)	396.4	395.7
Borrowings outstanding under credit facilities	475.0	—
Total debt	1,171.0	689.1
Less: short-term debt and current portion of long-term debt	774.6	—
Total long-term debt	\$ 396.4	\$ 689.1

^(a) The carrying value of the 2.625% Senior Notes as of March 28, 2020 and March 30, 2019 reflects adjustments of \$0.2 million and \$5.9 million, respectively, associated with the Company's related interest rate swap contract (see Note 13). The carrying value of the 2.625% Senior Notes is also presented net of unamortized debt issuance costs and discount of \$0.2 million and \$0.7 million as of March 28, 2020 and March 30, 2019, respectively.

^(b) The carrying value of the 3.750% Senior Notes is presented net of unamortized debt issuance costs and discount of \$3.6 million and \$4.3 million as of March 28, 2020 and March 30, 2019, respectively.

Senior Notes

In August 2015, the Company completed a registered public debt offering and issued \$300 million aggregate principal amount of unsecured senior notes due August 18, 2020, which bear interest at a fixed rate of 2.625%, payable semi-annually (the "2.625% Senior Notes"). The 2.625% Senior Notes were issued at a price equal to 99.795% of their principal amount. The proceeds from this offering were used for general corporate purposes.

In August 2018, the Company completed another registered public debt offering and issued an additional \$400 million aggregate principal amount of unsecured senior notes due September 15, 2025, which bear interest at a fixed rate of 3.750%, payable semi-annually (the "3.750% Senior Notes"). The 3.750% Senior Notes were issued at a price equal to 99.521% of their principal amount. The proceeds from this offering were used for general corporate purposes, including repayment of the Company's previously outstanding \$300 million principal amount of unsecured 2.125% senior notes that matured September 26, 2018 (the "2.125% Senior Notes").

The Company has the option to redeem the 2.625% Senior Notes and 3.750% Senior Notes (collectively, the "Senior Notes"), in whole or in part, at any time at a price equal to accrued and unpaid interest on the redemption date plus the greater of (i) 100% of the principal amount of the series of Senior Notes to be redeemed or (ii) the sum of the present value of Remaining Scheduled Payments, as defined in the supplemental indentures governing such Senior Notes (together with the indenture governing the Senior Notes, the "Indenture"). The Indenture contains certain covenants that restrict the Company's ability, subject to specified exceptions, to incur certain liens; enter into sale and leaseback transactions; consolidate or merge with another party; or sell, lease,

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

or convey all or substantially all of the Company's property or assets to another party. However, the Indenture does not contain any financial covenants.

Commercial Paper

The Company has a commercial paper borrowing program that allows it to issue up to \$500 million of unsecured commercial paper notes through private placement using third-party broker-dealers (the "Commercial Paper Program").

Borrowings under the Commercial Paper Program are supported by the Global Credit Facility, as defined below. Accordingly, the Company does not expect combined borrowings outstanding under the Commercial Paper Program and Global Credit Facility to exceed \$500 million. Commercial Paper Program borrowings may be used to support the Company's general working capital and corporate needs. Maturities of commercial paper notes vary, but cannot exceed 397 days from the date of issuance. Commercial paper notes issued under the Commercial Paper Program rank equally with the Company's other forms of unsecured indebtedness. As of March 28, 2020, there were no borrowings outstanding under the Commercial Paper Program.

Revolving Credit Facilities

Global Credit Facility

In August 2019, the Company replaced its existing credit facility and entered into a new credit facility that provides for a \$500 million senior unsecured revolving line of credit through August 12, 2024 (the "Global Credit Facility") under terms and conditions substantially similar to those of the previous facility. The Global Credit Facility is also used to support the issuance of letters of credit and maintenance of the Commercial Paper Program. Borrowings under the Global Credit Facility may be denominated in U.S. Dollars and certain other currencies, including Euros, Hong Kong Dollars, and Japanese Yen, and are guaranteed by all of the Company's domestic significant subsidiaries. In accordance with the terms of the agreement governing the Global Credit Facility, the Company has the ability to expand its borrowing availability under the Global Credit Facility to \$1 billion, subject to the agreement of one or more new or existing lenders under the facility to increase their commitments. There are no mandatory reductions in borrowing ability throughout the term of the Global Credit Facility.

In March 2020, the Company borrowed \$475.0 million under the Global Credit Facility as a preemptive action to preserve cash and strengthen its liquidity in response to the COVID-19 pandemic. This borrowing has been classified as short-term debt in the Company's consolidated balance sheet as of March 28, 2020. The Company was also contingently liable for \$9.0 million of outstanding letters of credit, resulting in remaining availability under the Global Credit Facility of \$16.0 million as of March 28, 2020.

Under the Global Credit Facility as originally implemented, U.S. Dollar-denominated borrowings under the Global Credit Facility bear interest, at the Company's option, either at (a) a base rate, by reference to the greatest of: (i) the annual prime commercial lending rate of JPMorgan Chase Bank, N.A. in effect from time to time, (ii) the weighted-average overnight Federal funds rate plus 50 basis points, or (iii) the one-month London Interbank Offered Rate ("LIBOR") plus 100 basis points; or (b) LIBOR, adjusted for the Federal Reserve Board's Eurocurrency liabilities maximum reserve percentage, plus a spread of 75 basis points, subject to adjustment based on the Company's credit ratings ("Adjusted LIBOR"). Foreign currency-denominated borrowings bear interest at Adjusted LIBOR.

In addition to paying interest on any outstanding borrowings under the Global Credit Facility, the Company is required to pay a commitment fee to the lenders under the Global Credit Facility relating to the unutilized commitments. The commitment fee rate of 6.5 basis points is subject to adjustment based on the Company's credit ratings. These provisions were amended in May 2020, as discussed below.

The Global Credit Facility contains a number of covenants that, among other things, restrict the Company's ability, subject to specified exceptions, to incur additional debt; incur liens; sell or dispose of assets; merge with or acquire other companies; liquidate or dissolve itself; engage in businesses that are not in a related line of business; make loans, advances, or guarantees; engage in transactions with affiliates; and make certain investments. As originally implemented, the Global Credit Facility also required the Company to maintain a maximum ratio of Adjusted Debt to Consolidated EBITDAR (the "leverage ratio") of no greater than 4.25 as of the date of measurement for the four most recent consecutive fiscal quarters. Adjusted Debt is defined generally as consolidated debt outstanding, including finance lease obligations, plus all operating lease obligations. Consolidated EBITDAR is defined generally as consolidated net income plus (i) income tax expense, (ii) net interest expense, (iii) depreciation and amortization expense, (iv) operating lease cost, (v) restructuring and other non-recurring expenses, and (vi) acquisition-related

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costs. This requirement was amended in May 2020, as discussed below. As of March 28, 2020, no Event of Default (as such term is defined pursuant to the Global Credit Facility) has occurred under the Company's Global Credit Facility.

Upon the occurrence of an Event of Default under the Global Credit Facility, the lenders may cease making loans, terminate the Global Credit Facility, and declare all amounts outstanding to be immediately due and payable. The Global Credit Facility specifies a number of events of default (many of which are subject to applicable grace periods), including, among others, the failure to make timely principal, interest, and fee payments or to satisfy the covenants, including the financial covenant described above. Additionally, the Global Credit Facility provides that an Event of Default will occur if Mr. Ralph Lauren, the Company's Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family fail to maintain a specified minimum percentage of the voting power of the Company's common stock.

In May 2020, the Company entered into an amendment of its Global Credit Facility (the "Amendment"). Under the Amendment, until the earlier of (a) the date on which the Company provides the periodic reporting information required under the Global Credit Facility for the quarter ending September 30, 2021 and (b) the date on which the Company certifies that its leverage ratio as of the last day of the two most recent fiscal quarters was no greater than 4.25 (the "Ratings-Based Toggle Date"), for loans based on Adjusted LIBOR, the spread over Adjusted LIBOR will be increased to 187.5 basis points, the spread on loans based on the base rate will be 87.5 basis points and the commitment fee will be increased to 25 basis points, in each case with no adjustments based on the Company's credit rating. The pricing will return to the original levels set forth in the Global Credit Facility on the Ratings-Based Toggle Date. Additionally, the leverage ratio requirements have been waived until the quarter ending September 30, 2021. For that Fiscal Quarter the maximum permitted leverage ratio would be 5.25 to 1.00. For the fiscal quarter ending December 31, 2021 and the fiscal quarter ending March 31, 2022 the maximum would be 4.75 to 1.00. For each fiscal quarter ending on or after June 30, 2022, the leverage ratio test would return to 4.25 to 1.00. The Amendment also (a) imposes a new requirement that would remain in effect until the Ratings-Based Toggle Date that the aggregate amount of unrestricted cash of the Company and its subsidiaries plus the undrawn amounts available under the Global Credit Facility may not be less than \$750 million, (b) restricts the amount of dividends and distributions on, or purchases, redemptions, retirements or acquisitions of, the Company's stock until the Specified Period Termination Date (as defined below), (c) until March 31, 2021, amends the material adverse change representation to disregard pandemic-related impacts to the business and (d) until the Specified Period Termination Date, adds certain other restrictions on indebtedness incurred by the Company and its subsidiaries and investments and acquisitions by the Company and its subsidiaries. The "Specified Period Termination Date" is the earlier of (i) the date on which the Company provides the periodic reporting information required under the Global Credit Facility for the quarter ending June 30, 2022 and (ii) the date on which the Company certifies that its leverage ratio as of the last day of the two most recent fiscal quarters was no greater than 4.25.

364 Day Facility

In May 2020, the Company entered into a new credit facility with the same lenders that are parties to the Global Credit Facility (the "364 Day Facility"). The 364 Day Facility provides for a \$500 million senior unsecured revolving line of credit and matures on May 25, 2021; provided that the maturity date may be earlier if the Company issues senior notes other than to refinance the currently outstanding senior notes due in August 2020. The terms of the 364 Day Facility are otherwise substantially similar to the terms of the Global Credit Facility as in effect until the Specified Period Termination Date, including with respect to having the same borrowers and guarantors, including with respect to having the same borrowers and guarantors, except that (a) no letters of credit may be issued under the 364 Day Facility, (b) the interest rate under the 364 Day Facility is 187.5 basis points above Adjusted LIBOR or 87.5 basis points above the alternate base rate, and the commitment fee is 25 basis points per annum, in each case subject to adjustment based on the Company's credit rating, (c) the 364 Day Facility contains provisions that limit borrowings if consolidated unrestricted cash and liquid investments of the Company exceed \$1 billion and (d) there is no leverage ratio requirement under the 364 Day Facility. Under the terms of the 364 Day Facility, if the Company does not satisfy certain customary closing conditions by June 15, 2020 (which date will be extended to June 17, 2020 under certain circumstances), the lenders' commitment to make loans will expire.

Pan-Asia Credit Facilities

Certain of the Company's subsidiaries in Asia have uncommitted credit facilities with regional branches of JPMorgan Chase (the "Banks") in China and South Korea (the "Pan-Asia Credit Facilities"). These credit facilities are subject to annual renewal and may be used to fund general working capital and corporate needs of the Company's operations in the respective countries. Borrowings under the Pan-Asia Credit Facilities are guaranteed by the parent company and are granted at the sole discretion of the Banks, subject to availability of the Banks' funds and satisfaction of certain regulatory requirements. The Pan-Asia Credit Facilities do not contain any financial covenants. The Company's Pan-Asia Credit Facilities by country are as follows:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- China Credit Facility — provides Ralph Lauren Trading (Shanghai) Co., Ltd. with a revolving line of credit of up to 50 million Chinese Renminbi (approximately \$7 million) through April 3, 2021, which is also able to be used to support bank guarantees.
- South Korea Credit Facility — provides Ralph Lauren (Korea) Ltd. with a revolving line of credit of up to 30 billion South Korean Won (approximately \$25 million) through October 30, 2020.

As of March 28, 2020, there were no borrowings outstanding under the Pan-Asia Credit Facilities.

12. Fair Value Measurements

U.S. GAAP establishes a three-level valuation hierarchy for disclosure of fair value measurements. The determination of the applicable level within the hierarchy for a particular asset or liability depends on the inputs used in its valuation as of the measurement date, notably the extent to which the inputs are market-based (observable) or internally-derived (unobservable). A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels are defined as follows:

- Level 1 — inputs to the valuation methodology based on quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 — inputs to the valuation methodology based on quoted prices for similar assets or liabilities in active markets for substantially the full term of the financial instrument; quoted prices for identical or similar instruments in markets that are not active for substantially the full term of the financial instrument; and model-derived valuations whose inputs or significant value drivers are observable.
- Level 3 — inputs to the valuation methodology based on unobservable prices or valuation techniques that are significant to the fair value measurement.

The following table summarizes the Company's financial assets and liabilities that are measured and recorded at fair value on a recurring basis, excluding accrued interest components:

	March 28, 2020	March 30, 2019
	(millions)	
Investments in commercial paper ^{(a)(b)}	\$ 243.6	\$ 290.7
Derivative assets ^(a)	62.3	32.0
Derivative liabilities ^(a)	6.9	15.5

^(a) Based on Level 2 measurements.

^(b) Amount as of March 28, 2020 was included within short-term investments in the consolidated balance sheet. As of March 30, 2019, \$54.7 million was included within cash and cash equivalents and \$236.0 million was included within short-term investments in the consolidated balance sheet.

The Company's investments in commercial paper are classified as available-for-sale and recorded at fair value in its consolidated balance sheets using external pricing data, based on interest rates and credit ratings for similar issuances with the same remaining term as the Company's investments. To the extent the Company invests in bonds, such investments are also classified as available-for-sale and recorded at fair value in its consolidated balance sheets based on quoted prices in active markets.

The Company's derivative financial instruments are recorded at fair value in its consolidated balance sheets and are valued using pricing models that are primarily based on market observable external inputs, including spot and forward currency exchange rates, benchmark interest rates, and discount rates consistent with the instrument's tenor, and consider the impact of the Company's own credit risk, if any. Changes in counterparty credit risk are also considered in the valuation of derivative financial instruments.

The Company's cash and cash equivalents, restricted cash, and time deposits are recorded at carrying value, which generally approximates fair value based on Level 1 measurements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's debt instruments are recorded at their carrying values in its consolidated balance sheets, which may differ from their respective fair values. The fair values of the Senior Notes are estimated based on external pricing data, including available quoted market prices, and with reference to comparable debt instruments with similar interest rates, credit ratings, and trading frequency, among other factors. The fair values of the Company's commercial paper notes and borrowings outstanding under its credit facilities, if any, are estimated using external pricing data, based on interest rates and credit ratings for similar issuances with the same remaining term as the Company's outstanding borrowings. Due to their short-term nature, the fair values of the Company's commercial paper notes and borrowings outstanding under its credit facilities, if any, generally approximate their carrying values.

The following table summarizes the carrying values and the estimated fair values of the Company's debt instruments:

	March 28, 2020		March 30, 2019	
	Carrying Value ^(a)	Fair Value ^(b)	Carrying Value ^(a)	Fair Value ^(b)
	(millions)			
\$300 million 2.625% Senior Notes	\$ 299.6	\$ 299.8	\$ 293.4	\$ 299.1
\$400 million 3.750% Senior Notes	396.4	415.1	395.7	410.0
Borrowings outstanding under credit facilities	475.0	473.0	—	—

(a) See Note 11 for discussion of the carrying values of the Company's senior notes.

(b) Based on Level 2 measurements.

Unrealized gains or losses resulting from changes in the fair value of the Company's debt instruments do not result in the realization or expenditure of cash, unless the debt is retired prior to its maturity.

Non-financial Assets and Liabilities

The Company's non-financial assets, which primarily consist of goodwill, other intangible assets, property and equipment, and lease-related ROU assets, are not required to be measured at fair value on a recurring basis, and instead are reported at carrying value in its consolidated balance sheet. However, on a periodic basis or whenever events or changes in circumstances indicate that they may not be fully recoverable (and at least annually for goodwill and indefinite-lived intangible assets), the respective carrying value of non-financial assets are assessed for impairment and, if ultimately considered impaired, are adjusted and written down to their fair value, as estimated based on consideration of external market participant assumptions.

During Fiscal 2020, Fiscal 2019, and Fiscal 2018, the Company recorded non-cash impairment charges to reduce the carrying values of certain long-lived assets to their estimated fair values. The fair values of these assets were determined based on Level 3 measurements, the related inputs of which included estimates of the amount and timing of the assets' net future discounted cash flows (including any potential sublease income for lease-related ROU assets), based on historical experience and consideration of current trends, market conditions, and comparable sales, as applicable.

The following tables summarize non-cash impairment charges recorded by the Company during the fiscal years presented in order to reduce the carrying values of certain long-lived assets to their estimated fair values as of the assessment date:

Long-Lived Asset Category	Fiscal Years Ended					
	March 28, 2020		March 30, 2019		March 31, 2018	
	Fair Value As of Impairment Date	Total Impairments ^(a)	Fair Value As of Impairment Date	Total Impairments ^(a)	Fair Value As of Impairment Date	Total Impairments ^(a)
	(millions)					
Property and equipment, net ^(b)	\$ 2.4	\$ 16.8	\$ 20.8	\$ 25.8	\$ —	\$ 41.2
Operating lease right-of-use assets ^(c)	120.8	239.9	N/A	N/A	N/A	N/A
Intangible assets, net ^(d)	N/A	—	N/A	—	2.9	8.8
Equity method investment	1.3	7.1	N/A	—	N/A	—

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- (a) Impairment of equity method investment is recorded within other income (expense), net in the consolidated statements of operations. All other impairment charges are recorded within impairments of assets in the consolidated statements of operations, unless otherwise noted.
 - (b) Total impairment charges for Fiscal 2019 includes \$4.6 million recorded to reduce the carrying value of the Company's held-for-sale corporate jet to its estimated fair value less costs to sell of \$20.8 million as of March 30, 2019. Balance was reclassified from property and equipment, net to prepaid expenses and other current assets in the consolidated balance sheet upon being classified as an asset held-for-sale. The asset was subsequently sold during Fiscal 2020 (see Note 7).
 - (c) Total impairment charges for Fiscal 2020 includes \$225.1 million recorded in connection with the Company's adoption of ASC 2016-02 as of the beginning of Fiscal 2020 which, net of related income tax benefits, reduced its opening retained earnings balance by \$169.4 million (see Note 4).
 - (d) Non-cash impairment charge recorded during Fiscal 2018 relates a change in the planned usage of a certain intangible asset.

See Note 8 for additional discussion regarding non-cash impairment charges recorded by the Company within the consolidated statements of operations during the fiscal years presented.

No goodwill impairment charges were recorded during any of the fiscal years presented. In Fiscal 2020, the Company performed its annual goodwill impairment assessment using a qualitative approach as of the beginning of the second quarter of the fiscal year. In performing the assessment, the Company identified and considered the significance of relevant key factors, events, and circumstances that affected the fair values and/or carrying amounts of its reporting units with allocated goodwill. These factors included external factors such as macroeconomic, industry, and market conditions, as well as entity-specific factors, such as the Company's actual and expected financial performance. Additionally, the results of the Company's then-most recent quantitative goodwill impairment test indicated that the fair values of these reporting units significantly exceeded their respective carrying values. Based on the results of its qualitative goodwill impairment assessment, the Company concluded that it is not more likely than not that the fair values of its reporting units are less than their respective carrying values, and there were no reporting units at risk of impairment.

Subsequent to performing its Fiscal 2020 annual goodwill impairment assessment, the Company determined that indicators of impairment were present during the fourth quarter of Fiscal 2020 as a result of adverse business disruptions related to the COVID-19 pandemic, including the temporary closure of its stores in North America, Europe, and Asia. As a result, the Company performed an interim assessment of the recoverability of goodwill assigned to its reporting units using a quantitative approach as of March 28, 2020. The estimated fair values of the Company's reporting units were determined with the assistance of an independent third-party valuation firm using discounted cash flows and market comparisons. Based on the results of the quantitative impairment assessment, the Company concluded that the fair values of its reporting units significantly exceeded their respective carrying values and were not at risk of impairment. Accordingly, no goodwill impairment charges were recorded.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. Financial Instruments

Derivative Financial Instruments

The Company is exposed to changes in foreign currency exchange rates, primarily relating to certain anticipated cash flows and the value of the reported net assets of its international operations, as well as changes in the fair value of its fixed-rate debt obligations attributed to changes in a benchmark interest rate. Accordingly, the Company uses derivative financial instruments to manage and mitigate such risks. The Company does not use derivatives for speculative or trading purposes.

The following table summarizes the Company's outstanding derivative instruments recorded on its consolidated balance sheets as of March 28, 2020 and March 30, 2019:

Derivative Instrument ^(a)	Notional Amounts		Derivative Assets				Derivative Liabilities			
	March 28, 2020	March 30, 2019	March 28, 2020		March 30, 2019		March 28, 2020		March 30, 2019	
			Balance Sheet Line ^(b)	Fair Value	Balance Sheet Line ^(b)	Fair Value	Balance Sheet Line ^(b)	Fair Value	Balance Sheet Line ^(b)	Fair Value
(millions)										
Designated Hedges:										
FC — Cash flow hedges	\$ 229.0	\$ 636.3	PP	\$ 7.4	PP	\$ 19.5	AE	\$ 0.4	AE	\$ 2.3
IRS — Fixed-rate debt	300.0	300.0		—		—	AE	0.2	ONCL	5.9
Net investment hedges ^(c)	683.6	695.3	ONCA	48.6	ONCA	12.2	AE	4.0	ONCL	6.0
Total Designated Hedges	1,212.6	1,631.6		56.0		31.7		4.6		14.2
Undesignated Hedges:										
FC — Undesignated hedges ^(d)	473.5	146.6	PP	6.3	PP	0.3	AE	2.3	AE	1.3
Total Hedges	\$ 1,686.1	\$ 1,778.2		\$ 62.3		\$ 32.0		\$ 6.9		\$ 15.5

(a) FC = Forward foreign currency exchange contracts; IRS = Interest rate swap contracts.

(b) PP = Prepaid expenses and other current assets; AE = Accrued expenses and other current liabilities; ONCA = Other non-current assets; ONCL = Other non-current liabilities.

(c) Includes cross-currency swaps designated as hedges of the Company's net investment in certain foreign operations.

(d) Relates to third-party and intercompany foreign currency-denominated exposures and balances.

The Company presents the fair values of its derivative assets and liabilities recorded on its consolidated balance sheets on a gross basis, even when they are subject to master netting arrangements. However, if the Company were to offset and record the asset and liability balances of all of its derivative instruments on a net basis in accordance with the terms of each of its master netting arrangements, spread across eight separate counterparties, the amounts presented in the consolidated balance sheets as of March 28, 2020 and March 30, 2019 would be adjusted from the current gross presentation as detailed in the following table:

	March 28, 2020			March 30, 2019		
	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements	Net Amount	Gross Amounts Presented in the Balance Sheet	Gross Amounts Not Offset in the Balance Sheet that are Subject to Master Netting Agreements	Net Amount
(millions)						
Derivative assets	\$ 62.3	\$ (6.1)	\$ 56.2	\$ 32.0	\$ (4.8)	\$ 27.2
Derivative liabilities	6.9	(6.1)	0.8	15.5	(4.8)	10.7

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The Company's master netting arrangements do not require cash collateral to be pledged by the Company or its counterparties. See Note 3 for further discussion of the Company's master netting arrangements.

The following tables summarize the pretax impact of gains and losses from the Company's designated derivative instruments on its consolidated financial statements for the fiscal years presented:

	Gains (Losses) Recognized in OCI		
	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Designated Hedges:			
FC — Cash flow hedges	\$ 24.0	\$ 47.5	\$ (45.5)
Net investment hedges — effective portion	7.7	64.5	(90.9)
Net investment hedges — portion excluded from assessment of hedge effectiveness	30.7	1.6	—
Total Designated Hedges	<u>\$ 62.4</u>	<u>\$ 113.6</u>	<u>\$ (136.4)</u>

	Location and Amount of Gains (Losses) from Cash Flow Hedges Reclassified from AOCI to Earnings					
	Fiscal Years Ended					
	March 28, 2020		March 30, 2019		March 31, 2018	
	Cost of goods sold	Other income (expense), net	Cost of goods sold	Other income (expense), net	Cost of goods sold	Other income (expense), net
	(millions)					
Total amounts presented in the consolidated statements of operations in which the effects of related cash flow hedges are recorded	\$ (2,506.5)	\$ (7.4)	\$ (2,427.0)	\$ 0.6	\$ (2,430.6)	\$ (3.1)
Effects of cash flow hedging:						
FC — Cash flow hedges	24.9	1.1	5.0	1.7	(8.2)	(2.9)

	Gains (Losses) from Net Investment Hedges Recognized in Earnings			Location of Gains (Losses) Recognized in Earnings
	Fiscal Years Ended			
	March 28, 2020	March 30, 2019	March 31, 2018	
	(millions)			
Net Investment Hedges:				
Net investment hedges — portion excluded from assessment of hedge effectiveness ^(a)	\$ 19.0	\$ 19.0	\$ 10.5	Interest expense
Total Net Investment Hedges	<u>\$ 19.0</u>	<u>\$ 19.0</u>	<u>\$ 10.5</u>	

^(a) Amounts recognized in OCI relating to the effective portion of the Company's net investment hedges would be recognized in earnings only upon the sale or liquidation of the hedged net investment.

As of March 28, 2020, it is estimated that \$20.7 million of pretax net gains on both outstanding and matured derivative instruments designated and qualifying as cash flow hedges deferred in AOCI will be recognized in earnings over the next twelve months. Amounts ultimately recognized in earnings will depend on exchange rates in effect when outstanding derivative instruments are settled.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes the pretax impact of gains and losses from the Company's undesignated derivative instruments on its consolidated financial statements for the fiscal years presented:

	Gains (Losses) Recognized in Earnings			Location of Gains (Losses) Recognized in Earnings
	Fiscal Years Ended			
	March 28, 2020	March 30, 2019	March 31, 2018	
(millions)				
<u>Undesignated Hedges:</u>				
FC — Undesignated hedges	\$ 16.0	\$ 3.1	\$ 2.4	Other income (expense), net
Total Undesignated Hedges	<u>\$ 16.0</u>	<u>\$ 3.1</u>	<u>\$ 2.4</u>	

Risk Management Strategies

Forward Foreign Currency Exchange Contracts

The Company uses forward foreign currency exchange contracts to mitigate its risk related to exchange rate fluctuations on inventory transactions made in an entity's non-functional currency, the settlement of foreign currency-denominated balances, and the translation of certain foreign operations' net assets into U.S. dollars. As part of its overall strategy for managing the level of exposure to such exchange rate risk, relating primarily to the Euro, the Japanese Yen, the South Korean Won, the Australian Dollar, the Canadian Dollar, the British Pound Sterling, the Swiss Franc, and the Chinese Renminbi, the Company generally hedges a portion of its related exposures anticipated over the next twelve months using forward foreign currency exchange contracts with maturities of two months to one year to provide continuing coverage over the period of the respective exposure.

Interest Rate Swap Contracts

During Fiscal 2016, the Company entered into two pay-floating rate, receive-fixed rate interest rate swap contracts which it designated as hedges against changes in the respective fair values of its fixed-rate 2.125% Senior Notes and its fixed-rate 2.625% Senior Notes, attributed to changes in a benchmark interest rate (the "Interest Rate Swaps"). The interest rate swap related to the 2.125% Senior Notes (the "2.125% Interest Rate Swap"), which matured on September 26, 2018 concurrent with the maturity of the related debt, had a notional amount of \$300 million and swapped the fixed interest rate on the 2.125% Senior Notes for a variable interest rate based on the 3-month LIBOR plus a fixed spread. The interest rate swap related to the 2.625% Senior Notes (the "2.625% Interest Rate Swap"), which matures on August 18, 2020 and also has a notional amount of \$300 million, swaps the fixed interest rate on the 2.625% Senior Notes for a variable interest rate based on 3-month LIBOR plus a fixed spread. Changes in the fair values of the Interest Rate Swaps were offset by changes in the fair values of the 2.125% Senior Notes and 2.625% Senior Notes attributed to changes in the benchmark interest rate, with no resulting net impact reflected in earnings during any of the fiscal years presented.

The following table summarizes the carrying values of the 2.625% Senior Notes and the impacts of the related fair value hedging adjustments as of March 28, 2020 and March 30, 2019:

Hedged Item	Balance Sheet Line in which the Hedged Item is Included	Carrying Value of the Hedged Item		Cumulative Amount of Fair Value Hedging Adjustment Included in the Carrying Value of the Hedged Item	
		March 28, 2020	March 30, 2019	March 28, 2020	March 30, 2019
(millions)					
\$300 million 2.625% Senior Notes	Current portion of long-term debt	\$ 299.6	N/A	\$ (0.2)	N/A
\$300 million 2.625% Senior Notes	Long-term debt	N/A	\$ 293.4	N/A	\$ (5.9)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cross-Currency Swap Contracts

During Fiscal 2016, the Company entered into two pay-floating rate, receive-floating rate cross-currency swap contracts with notional amounts of €280 million and €274 million that were designated as hedges of its net investment in certain of its European subsidiaries. The €280 million notional cross-currency swap, which was settled during the second quarter of Fiscal 2019, swapped the U.S. Dollar-denominated variable interest rate payments based on 3-month LIBOR plus a fixed spread (as paid under the 2.125% Interest Rate Swap discussed above) for Euro-denominated variable interest rate payments based on the 3-month Euro Interbank Offered Rate ("EURIBOR") plus a fixed spread, which, in combination with the 2.125% Interest Rate Swap, economically converted the Company's previously-outstanding \$300 million fixed-rate 2.125% Senior Notes obligation to a €280 million floating-rate Euro-denominated obligation. Similarly, the €274 million notional cross-currency swap, which matures on August 18, 2020, swaps the U.S. Dollar-denominated variable interest rate payments based on 3-month LIBOR plus a fixed spread (as paid under the 2.625% Interest Rate Swap discussed above) for Euro-denominated variable interest rate payments based on 3-month EURIBOR plus a fixed spread, which in combination with the 2.625% Interest Rate Swap, economically converts the Company's \$300 million fixed-rate 2.625% Senior Notes obligation to a €274 million floating-rate Euro-denominated obligation.

Additionally, in August 2018, the Company entered into pay-fixed rate, receive-fixed rate cross-currency swap contracts with an aggregate notional amount of €346 million that were designated as hedges of its net investment in certain of its European subsidiaries. These contracts, which mature on September 15, 2025, swap the U.S. Dollar-denominated fixed interest rate payments on the Company's 3.750% Senior Notes for Euro-denominated 1.29% fixed interest rate payments, thereby economically converting the Company's \$400 million fixed-rate 3.750% Senior Notes obligation to a €346 million fixed-rate 1.29% Euro-denominated obligation.

See Note 3 for further discussion of the Company's accounting policies relating to its derivative financial instruments.

Investments

As of March 28, 2020, the Company's investments were all classified as short-term and consisted of \$252.3 million of time deposits and \$243.6 million of commercial paper. As of March 30, 2019, the Company's short-term investments consisted of \$1.167 billion of time deposits and \$236.0 million of commercial paper, and its non-current investments consisted of \$44.9 million of time deposits.

No significant realized or unrealized gains or losses on available-for-sale investments or impairment charges were recorded in any of the fiscal years presented.

See Note 3 for further discussion of the Company's accounting policies relating to its investments.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

14. Leases

The following table summarizes ROU assets and lease liabilities recorded on the Company's consolidated balance sheet as of March 28, 2020:

	<u>March 28, 2020</u>	<u>Location Recorded on Balance Sheet</u>
	(millions)	
Assets:		
Operating leases	\$ 1,511.6	Operating lease right-of-use assets
Finance leases	166.4	Property and equipment, net
Total lease assets	<u>\$ 1,678.0</u>	
Liabilities:		
<u>Operating leases:</u>		
Current portion	\$ 288.4	Current operating lease liabilities
Non-current portion	1,568.3	Long-term operating lease liabilities
Total operating lease liabilities	<u>1,856.7</u>	
<u>Finance leases:</u>		
Current portion	9.8	Accrued expenses and other current liabilities
Non-current portion	189.4	Other non-current liabilities
Total finance lease liabilities	<u>199.2</u>	
Total lease liabilities	<u>\$ 2,055.9</u>	

The following table summarizes the composition of net lease cost during Fiscal 2020:

	<u>Fiscal Year Ended</u>	
	<u>March 28, 2020</u>	<u>Location Recorded in Earnings</u>
Operating lease cost	\$ 322.0	(a)
<u>Finance lease costs:</u>		
Depreciation of leased assets	18.1	SG&A expenses
Accretion of lease liabilities	8.1	Interest expense
Variable lease cost	298.0	(b)
Short-term lease cost	5.5	SG&A expenses
Sublease income	(2.9)	Restructuring and other charges
Total lease cost	<u>\$ 648.8</u>	

(a) \$4.4 million included within cost of goods sold, \$307.3 million included within SG&A expenses, and \$10.3 million included within restructuring and other charges.

(b) \$4.7 million included within cost of goods sold, \$290.3 million included within SG&A expenses, and \$3.0 million included within restructuring and other charges.

In accordance with lease accounting guidance in effect prior to its adoption of ASU 2016-02, during Fiscal 2019 and Fiscal 2018, the Company recognized rent expense of approximately \$449.3 million and \$443.1 million, respectively, net of insignificant sublease income, related to its operating leases, which included contingent rental charges of approximately \$192.0 million and \$175.9 million, respectively. Such amounts do not include expense recognized related to non-lease components.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes certain cash flow information related to the Company's leases during Fiscal 2020:

	<u>Fiscal Year Ended</u> <u>March 28,</u> <u>2020</u>
	(millions)
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 383.9
Operating cash flows from finance leases	8.0
Financing cash flows from finance leases	13.6

See Note 21 for supplemental non-cash information related to ROU assets obtained in exchange for new lease liabilities.

The following table presents a maturity analysis summary of the Company's lease liabilities recorded on the consolidated balance sheet as of March 28, 2020:

	<u>March 28, 2020</u>	
	<u>Operating</u> <u>Leases</u>	<u>Finance</u> <u>Leases</u>
	(millions)	
Fiscal 2021	\$ 323.6	\$ 16.0
Fiscal 2022	325.4	22.6
Fiscal 2023	292.6	22.3
Fiscal 2024	259.2	22.3
Fiscal 2025	206.8	22.3
Fiscal 2026 and thereafter	615.7	153.8
Total lease payments	2,023.3	259.3
Less: interest	(166.6)	(60.1)
Total lease liabilities	<u>\$ 1,856.7</u>	<u>\$ 199.2</u>

Additionally, the Company has approximately \$119 million of future payment obligations related to executed lease agreements for which the related lease terms had not yet commenced as of March 28, 2020.

The following table summarizes the weighted-average remaining lease terms and weighted-average discount rates related to the Company's operating and finance leases recorded on the consolidated balance sheet as of March 28, 2020:

	<u>March 28, 2020</u>	
	<u>Operating</u> <u>Leases</u>	<u>Finance</u> <u>Leases</u>
Weighted-average remaining lease term (years)	7.6	12.7
Weighted-average discount rate	2.1%	4.1%

See Note 3 for discussion of the Company's accounting policies related to its leasing activities.

15. Commitments and Contingencies

U.S. Tax Reform

In connection with the TCJA's provision that subjects previously deferred foreign earnings to a one-time mandatory transition tax, the Company recorded cumulative charges of approximately \$241 million within its income tax provision in prior fiscal years (as described in Note 10). The remaining related income tax payable obligation of \$146.7 million as of March 28, 2020, which was reduced by foreign tax credits and other federal income tax activity, is expected to be paid as follows:

	Mandatory Transition Tax Payments^(a)
	(millions)
Fiscal 2021	\$ 14.0
Fiscal 2022	14.0
Fiscal 2023	14.0
Fiscal 2024	26.2
Fiscal 2025	34.9
Fiscal 2026 and thereafter	43.6
Total mandatory transition tax payments	<u>\$ 146.7</u>

^(a) Included within current and non-current income tax payable in the consolidated balance sheets based upon the estimated timing of payments.

See Note 10 for further discussion of the TCJA and its enactment-related impacts on the Company's consolidated financial statements.

Employee Agreements

The Company has employment agreements with certain executives in the normal course of business which provide for compensation and certain other benefits. These agreements also provide for severance payments under certain circumstances.

Other Commitments

Other off-balance sheet firm commitments amounted to \$665.6 million as of March 28, 2020, including inventory purchase commitments of \$534.9 million, outstanding letters of credit of \$9.0 million, interest payments related to the Company's debt of \$90.6 million, and other commitments of \$31.1 million, comprised of the Company's legally-binding obligations under sponsorship, licensing, and other marketing and advertising agreements, information technology-related service agreements, and pension-related obligations.

Other Matters

The Company is involved, from time to time, in litigation, other legal claims, and proceedings involving matters associated with or incidental to its business, including, among other things, matters involving credit card fraud, trademark and other intellectual property, licensing, importation and exportation of its products, taxation, unclaimed property, and employee relations. The Company believes at present that the resolution of currently pending matters will not individually or in the aggregate have a material adverse effect on its consolidated financial statements. However, the Company's assessment of any current litigation or other legal claims could potentially change in light of the discovery of facts not presently known or determinations by judges, juries, or other finders of fact which are not in accord with management's evaluation of the possible liability or outcome of such litigation or claims.

In the normal course of business, the Company enters into agreements that provide general indemnifications. The Company has not made any significant indemnification payments under such agreements in the past and does not currently anticipate incurring any material indemnification payments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

16. Equity

Capital Stock

The Company's capital stock consists of two classes of common stock. There are 500 million shares of Class A common stock and 100 million shares of Class B common stock authorized to be issued. Shares of Class A and Class B common stock have substantially identical rights, except with respect to voting rights. Holders of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to ten votes per share. Holders of both classes of stock vote together as a single class on all matters presented to the stockholders for their approval, except with respect to the election and removal of directors or as otherwise required by applicable law. All outstanding shares of Class B common stock are owned by Mr. Ralph Lauren, the Company's Executive Chairman and Chief Creative Officer, and entities controlled by the Lauren family, and are convertible at any time into shares of Class A common stock on a one-for-one basis.

Class B Common Stock Conversions

During Fiscal 2020, the Lauren Family, L.L.C., a limited liability company managed by the children of Mr. Ralph Lauren, converted 1.0 million shares of Class B common stock into an equal number of shares of Class A common stock pursuant to the terms of the security. These conversions occurred in advance of a sales plan providing for the sale of such shares of Class A common stock pursuant to Rule 10b5-1 subject to the conditions set forth therein. These transactions resulted in a reclassification within equity and had no effect on the Company's consolidated balance sheet.

Common Stock Repurchase Program

A summary of the Company's repurchases of Class A common stock under its common stock repurchase program is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(in millions)		
Cost of shares repurchased	\$ 650.3	\$ 470.0	\$ —
Number of shares repurchased	6.2	3.8	0.0

On May 13, 2019, the Company's Board of Directors approved an expansion of the Company's existing common stock repurchase program that allowed it to repurchase up to an additional \$600 million of Class A common stock. As of March 28, 2020, the remaining availability under the Company's Class A common stock repurchase program was approximately \$580 million. Repurchases of shares of Class A common stock are subject to overall business and market conditions. Accordingly, as a result of current business disruptions related to the COVID-19 pandemic, the Company has temporarily suspended its common stock repurchase program as a preemptive action to preserve cash and strengthen its liquidity.

In addition, during Fiscal 2020, Fiscal 2019, and Fiscal 2018, 0.4 million, 0.3 million, and 0.2 million shares of Class A common stock, respectively, at a cost of \$44.5 million, \$32.6 million, and \$17.1 million, respectively, were surrendered to or withheld by the Company in satisfaction of withholding taxes in connection with the vesting of awards under the Company's long-term stock incentive plans.

Repurchased and surrendered shares are accounted for as treasury stock at cost and held in treasury for future use.

Dividends

Since 2003, the Company has maintained a regular quarterly cash dividend program on its common stock. On May 13, 2019, the Company's Board of Directors approved an increase to the Company's quarterly cash dividend on its common stock from \$0.625 to \$0.6875 per share. Dividends paid amounted to \$203.9 million, \$190.7 million, and \$162.4 million in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively.

As a result of current business disruptions related to the COVID-19 pandemic, the Company has temporarily suspended its quarterly cash dividend program as a preemptive action to preserve cash and strengthen its liquidity. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's Board of Directors and will depend on the Company's

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

results of operations, cash requirements, financial condition, and other factors that the Board of Directors may deem relevant, including economic and market conditions.

17. Accumulated Other Comprehensive Income (Loss)

The following table presents OCI activity, net of tax, accumulated in equity:

	Foreign Currency Translation Gains (Losses)(a)	Net Unrealized Gains (Losses) on Cash Flow Hedges(b)	Net Unrealized Gains (Losses) on Defined Benefit Plans(c)	Total Accumulated Other Comprehensive Income (Loss)
	(millions)			
Balance at April 1, 2017	\$ (206.2)	\$ 14.6	\$ (6.8)	\$ (198.4)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	126.9	(40.5)	0.9	87.3
Amounts reclassified from AOCI to earnings	—	9.9	2.7	12.6
Other comprehensive income (loss), net of tax	126.9	(30.6)	3.6	99.9
Balance at March 31, 2018	(79.3)	(16.0)	(3.2)	(98.5)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	(39.2)	42.2	(2.0)	1.0
Amounts reclassified from AOCI to earnings	—	(6.0)	0.1	(5.9)
Other comprehensive income (loss), net of tax	(39.2)	36.2	(1.9)	(4.9)
Balance at March 30, 2019	(118.5)	20.2	(5.1)	(103.4)
Other comprehensive income (loss), net of tax:				
OCI before reclassifications	(7.0)	21.2	(1.6)	12.6
Amounts reclassified from AOCI to earnings	(4.9)	(23.4)	0.9	(27.4)
Other comprehensive loss, net of tax	(11.9)	(2.2)	(0.7)	(14.8)
Balance at March 28, 2020	\$ (130.4)	\$ 18.0	\$ (5.8)	\$ (118.2)

- (a) OCI before reclassifications to earnings related to foreign currency translation gains (losses) includes income tax provisions of \$9.2 million and \$10.8 million for Fiscal 2020 and Fiscal 2019, respectively, and includes an income tax benefit of \$23.3 million for Fiscal 2018. OCI before reclassifications to earnings includes gains of \$29.0 million (net of a \$9.4 million income tax provision) and \$50.2 million (net of a \$15.9 million income tax provision) for Fiscal 2020 and Fiscal 2019, respectively, and includes a loss of \$59.6 million (net of a \$31.3 million income tax benefit) for Fiscal 2018, related to the effective portion of changes in the fair values of instruments designated as hedges of the Company's net investment in certain foreign operations (see Note 13). Amounts reclassified from AOCI to earnings related to foreign currency translation gains (losses) during Fiscal 2020 relate to the reclassification to retained earnings of income tax effects stranded in AOCI (see Note 4)
- (b) OCI before reclassifications to earnings related to net unrealized gains (losses) on cash flow hedges are presented net of income tax provisions of \$2.8 million and \$5.3 million for Fiscal 2020 and Fiscal 2019, respectively, and are presented net of an income tax benefit of \$5.0 million for Fiscal 2018. The tax effects on amounts reclassified from AOCI to earnings are presented in a table below.
- (c) Activity is presented net of taxes, which were immaterial for all periods presented.

The following table presents reclassifications from AOCI to earnings for cash flow hedges, by component:

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Fiscal Years Ended			Location of Gains (Losses) Reclassified from AOCI to Earnings
	March 28, 2020	March 30, 2019	March 31, 2018	
(millions)				
Gains (losses) on cash flow hedges^(a):				
FC — Cash flow hedges	\$ 24.9	\$ 5.0	\$ (8.2)	Cost of goods sold
FC — Cash flow hedges	1.1	1.7	(2.9)	Other income (expense), net
Tax effect	(2.6)	(0.7)	1.2	Income tax benefit (provision)
Net of tax	<u>\$ 23.4</u>	<u>\$ 6.0</u>	<u>\$ (9.9)</u>	

^(a) FC = Forward foreign currency exchange contracts.

18. Stock-based Compensation

Long-term Stock Incentive Plans

On August 1, 2019, the Company's shareholders approved the 2019 Long-Term Stock Incentive Plan (the "2019 Incentive Plan"), which replaced the Company's Amended and Restated 2010 Long-Term Stock Incentive Plan (the "2010 Incentive Plan"). The 2019 Incentive Plan provides for 1.2 million of new shares authorized for issuance to the participants, in addition to the approximately 3.0 million shares that remained available for issuance under the 2010 Incentive Plan as of August 1, 2019. In addition, any outstanding awards under the 2010 Incentive Plan or the Company's 1997 Long-Term Stock Incentive Plan (the "1997 Incentive Plan") that expire, are forfeited, or are surrendered to the Company in satisfaction of taxes, will become available for issuance under the 2019 Incentive Plan. The 2019 Incentive Plan became effective August 1, 2019 and no further grants will be made under the 2010 Incentive Plan. Outstanding awards issued prior to August 1, 2019 will continue to remain subject to the terms of the 2010 Incentive Plan or 1997 Incentive Plan, as applicable. As of March 28, 2020, 3.8 million shares remained available for future issuance under the Company's incentive plans.

Stock-based compensation awards that may be made under the 2019 Incentive Plan include, but are not limited to, (i) restricted stock, (ii) RSUs, and (iii) stock options. During the fiscal periods presented, annual grants consisted entirely of restricted stock and RSUs. Additionally, for RSUs granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, vesting continues post-retirement for all or a portion of the remaining unvested RSUs.

Impact on Results

A summary of total stock-based compensation expense and the related income tax benefits recognized is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
(millions)			
Compensation expense ^(a)	\$ 100.6	\$ 88.6	\$ 74.5
Income tax benefit	(15.3)	(13.1)	(25.3)

^(a) Fiscal 2020 and Fiscal 2018 includes \$3.6 million and \$2.8 million, respectively, of accelerated stock-based compensation expense recorded within restructuring and other charges in the consolidated statements of operations (see Note 9). All other stock-based compensation expense was recorded within SG&A expenses.

The Company issues its annual grants of stock-based compensation awards in the first half of each fiscal year. Due to the timing of the annual grants and other factors, including the timing and magnitude of forfeiture and performance goal achievement adjustments, as well as changes to the size and composition of the eligible employee population, stock-based compensation expense

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

recognized during any given fiscal period is not indicative of the level of compensation expense expected to be incurred in future periods.

Restricted Stock Awards and Service-based RSUs

Restricted shares granted to non-employee directors vest ratably over a three-year period, subject to the director's continued service to the Company. The fair values of restricted stock awards are based on the fair value of the Company's Class A common stock on the date of grant. Holders of restricted shares are entitled to receive cash dividends in connection with the payments of dividends on the Company's Class A common stock. Effective beginning Fiscal 2019, non-employee directors are now granted service-based RSUs in lieu of restricted shares.

Service-based RSUs granted to certain of the Company's senior executives and other employees, as well as non-employee directors, generally vest over a three-year period, subject to the employee's continuing employment (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed). The fair values of service-based RSUs are based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested.

A summary of restricted stock and service-based RSU activity during Fiscal 2020 is as follows:

	Restricted Stock		Service-based RSUs	
	Number of Shares	Weighted-Average Grant Date Fair Value	Number of Shares	Weighted-Average Grant Date Fair Value
	(thousands)		(thousands)	
Nonvested at March 30, 2019	10	\$ 86.01	1,112	\$ 94.99
Granted	—	N/A	543	102.27
Vested	(6)	88.30	(480)	90.64
Forfeited	—	N/A	(81)	100.28
Nonvested at March 28, 2020	4	\$ 81.78	1,094	\$ 100.92

	Restricted Stock	Service-based RSUs
Total unrecognized compensation expense at March 28, 2020 (millions)	\$ —	\$ 36.6
Weighted-average period expected to be recognized over (years)	0.0	1.6

Additional information pertaining to restricted stock and service-based RSU activity is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
Restricted Stock:			
Weighted-average grant date fair value of awards granted	N/A	N/A	N/A
Total fair value of awards vested (millions)	\$ 0.9	\$ 1.0	N/A
Service-based RSUs:			
Weighted-average grant date fair value of awards granted	\$ 102.27	\$ 113.38	\$ 73.59
Total fair value of awards vested (millions)	\$ 52.5	\$ 50.0	\$ 30.0

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Performance-based RSUs

The Company grants performance-based RSUs to its senior executives and other key employees. The fair values of performance-based RSUs are based on the fair value of the Company's Class A common stock on the date of grant, adjusted to reflect the absence of dividends for any awards for which dividend equivalent amounts do not accrue while outstanding and unvested. Performance-based RSUs generally vest (i) upon the completion of a three-year period of time (cliff vesting), subject to the employee's continuing employment (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed) and the Company's achievement of certain performance goals established at the beginning of the three-year performance period or (ii) ratably, over a three-year period of time (graded vesting), subject to the employee's continuing employment during the applicable vesting period (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed) and the achievement by the Company of certain performance goals in the initial year of the three-year vesting period.

For performance-based RSUs subject to cliff vesting, beginning with grants in Fiscal 2019, the number of shares that may be earned ranges between 0% (if the specified threshold performance level is not attained) and 200% (if performance meets or exceeds the maximum achievement level) of the awards originally granted. For such awards granted in recent years prior to Fiscal 2019, the number of shares that may be earned ranges between 0% (if the specified threshold performance level is not attained) and 150% (if performance meets or exceeds the maximum achievement level) of the awards originally granted. If actual performance exceeds the pre-established threshold, the number of shares earned is calculated based on the relative performance between specified levels of achievement.

A summary of performance-based RSU activity during Fiscal 2020 is as follows:

	Performance-based RSUs	
	Number of Shares	Weighted-Average Grant Date Fair Value
	(thousands)	
Nonvested at March 30, 2019	1,011	\$ 84.16
Granted	289	83.16
Change due to performance condition achievement	123	86.65
Vested	(482)	86.91
Forfeited	(7)	76.40
Nonvested at March 28, 2020	934	\$ 82.83

	Performance-based RSUs
Total unrecognized compensation expense at March 28, 2020 (millions)	\$ 28.2
Weighted-average period expected to be recognized over (years)	1.5

Additional information pertaining to performance-based RSU activity is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
<i>Performance-based RSUs:</i>			
Weighted-average grant date fair value of awards granted	\$ 83.16	\$ 129.78	\$ 69.40
Total fair value of awards vested (millions)	\$ 52.8	\$ 31.8	\$ 12.9

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Market-based RSUs

During Fiscal 2019, the Company began granting cliff vesting RSU awards to its senior executives and other key employees, which, in addition to being subject to continuing employment requirements (except for awards granted to retirement-eligible employees, or employees who become retirement-eligible prior to the end of the awards' respective stated vesting periods, as previously discussed), are also subject to a market condition based on TSR performance. The number of shares that vest upon the completion of a three-year period of time is determined by comparing the Company's TSR relative to that of a pre-established peer group over the related three-year performance period. Depending on the Company's level of achievement, the number of shares that ultimately vest may range from 0% to 200% of the awards originally granted.

The Company estimates the fair value of its TSR awards on the date of grant using a Monte Carlo simulation, which models multiple stock price paths of the Company's Class A common stock and that of its peer group to evaluate and determine its ultimate expected relative TSR performance ranking. Compensation expense, net of estimated forfeitures, is recorded regardless of whether, and the extent to which, the market condition is ultimately satisfied.

The assumptions used to estimate the fair value of TSR awards granted during Fiscal 2020 and Fiscal 2019 were as follows:

	Fiscal Year Ended	
	March 28, 2020	March 30, 2019
Expected term (years)	2.6	2.6
Expected volatility	31.4%	33.5%
Expected dividend yield	3.2%	1.9%
Risk-free interest rate	1.4%	2.6%
Weighted-average grant date fair value	\$ 90.59	\$ 177.13

A summary of market-based RSU activity during Fiscal 2020 is as follows:

	Market-based RSUs	
	Number of Shares	Weighted- Average Grant Date Fair Value
	(thousands)	
Nonvested at March 30, 2019	76	\$ 177.31
Granted	159	90.59
Change due to market condition achievement	—	N/A
Vested	—	N/A
Forfeited	(1)	137.35
Nonvested at March 28, 2020	234	\$ 118.46

	Market-based RSUs	
Total unrecognized compensation expense at March 28, 2020 (millions)	\$	14.1
Weighted-average period expected to be recognized over (years)		1.8

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Additional information pertaining to market-based RSU activity is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
<i>Market-based RSUs:</i>			
Weighted-average grant date fair value of awards granted	\$ 90.59	\$ 177.13	N/A
Total fair value of awards vested (millions)	N/A	N/A	N/A

Stock Options

Stock options are granted to employees and non-employee directors with exercise prices equal to the fair market value of the Company's Class A common stock on the date of grant. Generally, options become exercisable ratably (graded-vesting schedule) over a three-year vesting period, subject to the employee's continuing employment. Stock options generally expire seven years from the date of grant. No stock options were granted during any of the fiscal years presented.

A summary of stock option activity during Fiscal 2020 is as follows:

	Number of Shares	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Term	Aggregate Intrinsic Value ^(a)
	(thousands)		(years)	(millions)
Options outstanding at March 30, 2019	834	\$ 162.53	1.5	\$ —
Granted	—	N/A		
Exercised	—	N/A		
Cancelled/Forfeited	(316)	151.48		
Options outstanding at March 28, 2020	518	\$ 169.37	0.9	\$ —
Options vested at March 28, 2020 ^(b)	518	\$ 169.37	0.9	\$ —
Options exercisable at March 28, 2020	518	\$ 169.37	0.9	\$ —

^(a) Aggregate intrinsic value is the amount by which the market price of the Company's Class A common stock at the end of the period exceeds the exercise price of the stock option, multiplied by the number of options.

^(b) There were no nonvested stock options as of March 28, 2020. Accordingly, there was no related unrecognized compensation expense as of March 28, 2020.

Additional information pertaining to the Company's stock option plans is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Aggregate intrinsic value of stock options exercised ^(a)	\$ —	\$ 1.2	\$ —
Cash received from the exercise of stock options	—	21.8	0.1
Tax benefits realized on exercise of stock options	—	3.7	—

^(a) Aggregate intrinsic value is the amount by which the market price of the Company's Class A common stock exceeded the stock option's exercise price when exercised, multiplied by the number of options.

19. Employee Benefit Plans***Defined Contribution Plans***

The Company sponsors defined contribution benefit plans covering substantially all eligible employees in the U.S. and Puerto Rico who are not covered by a collective bargaining agreement. The plans include a savings plan feature under Section 401(k) of the Internal Revenue Code. The Company makes matching contributions to the plans equal to 50% of the first 6% of salary contributed by an eligible employee. Additionally, the Company makes a supplemental matching contribution for plan years in which the Company achieves an "above target" performance level based on certain goals established at the beginning of each fiscal year, increasing the matching contribution to between 67% and 100% depending on the performance level achieved, of the first 6% of salary contributed by eligible employees, not to exceed the maximum contribution permitted by the plan.

Under the terms of the plans, a participant becomes 100% vested in the Company's matching contributions after five years of credited service. Contributions made by the Company under these plans were \$8.7 million, \$11.2 million, and \$10.6 million in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively.

International Defined Benefit Plans

The Company sponsors certain single-employer defined benefit plans and cash balance plans at international locations which are not considered to be material individually or in the aggregate to the Company's financial statements. Pension benefits under these plans are based on formulas that reflect the employees' years of service and compensation levels during their employment period. The aggregate funded status of the single-employer defined benefit plans reflected net liabilities of \$4.0 million and \$2.8 million as of March 28, 2020 and March 30, 2019, respectively, and were primarily recorded within other non-current liabilities in the Company's consolidated balance sheets. These single-employer defined benefit plans had aggregate projected benefit obligations of \$52.4 million and aggregate fair values of plan assets of \$48.4 million as of March 28, 2020, compared to aggregate projected benefit obligations of \$48.1 million and aggregate fair values of plan assets of \$45.3 million as of March 30, 2019. The asset portfolio of the single-employer defined benefit plans primarily consists of fixed income securities, which have been measured at fair value largely using Level 2 inputs, as described in Note 12. Net pension expense for these plans was \$5.0 million, \$4.2 million, and \$6.6 million in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively. The service cost component of \$4.7 million, \$4.4 million, and \$4.6 million in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively, was recorded within SG&A expenses in the Company's consolidated statements of operations. All other components of net pension expense during the fiscal years presented were recorded within other income (expense), net, in the Company's consolidated statement of operations.

Union Pension Plan

The Company participates in a multi-employer pension plan and is required to make contributions to the Workers United union (which was previously known as UNITE HERE) (the "Union") for dues based on wages paid to union employees. A portion of these dues is allocated by the Union to a retirement fund which provides defined benefits to substantially all unionized workers. The Company does not participate in the management of the plan and has not been furnished with information with respect to the type of benefits provided, vested and non-vested benefits, or assets.

Under the Employee Retirement Income Security Act of 1974, as amended, an employer, upon withdrawal from or termination of a multi-employer plan, is required to continue funding its proportionate share of the plan's unfunded vested benefits. Such liability was assumed in conjunction with the acquisition of certain assets from a non-affiliated licensee. The Company has no current intention of withdrawing from the plan.

Other Compensation Plans

The Company had a non-qualified supplemental retirement plan for certain highly compensated employees whose benefits under the 401(k) profit sharing retirement savings plans were expected to be constrained by the operation of Internal Revenue Code limitations. These supplemental benefits vested over time and the related compensation expense was recognized over the vesting period. Effective August 2008, the Company amended this plan, resulting in a suspension of the annual contributions for substantially all plan participants. Further, affected participants were provided with a one-time election to either withdraw all benefits vested in the plan in a lump sum amount or remain in the plan and receive future distributions of benefits. As of March 28, 2020 and March 30, 2019, amounts accrued under this plan totaled \$3.4 million and \$5.1 million, respectively, and were classified within other non-current liabilities in the consolidated balance sheets. Total compensation expense recognized related to these benefits was not material in any of the fiscal years presented.

20. Segment Information

The Company has three reportable segments based on its business activities and organization:

- *North America* — The North America segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in the U.S. and Canada, excluding Club Monaco. In North America, the Company's retail business is primarily comprised of its Ralph Lauren stores, its factory stores, and its digital commerce site, www.RalphLauren.com. The Company's wholesale business in North America is comprised primarily of sales to department stores, and to a lesser extent, specialty stores.
- *Europe* — The Europe segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in Europe, the Middle East, and Latin America, excluding Club Monaco. In Europe, the Company's retail business is primarily comprised of its Ralph Lauren stores, its factory stores, its concession-based shop-within-shops, and its various digital commerce sites. The Company's wholesale business in Europe is comprised of a varying mix of sales to both department stores and specialty stores, depending on the country, as well as to various third-party digital partners.
- *Asia* — The Asia segment primarily consists of sales of Ralph Lauren branded apparel, footwear, accessories, home furnishings, and related products made through the Company's retail and wholesale businesses in Asia, Australia, and New Zealand. The Company's retail business in Asia is primarily comprised of its Ralph Lauren stores, its factory stores, its concession-based shop-within-shops, and its digital commerce site, www.RalphLauren.cn, which launched in September 2018. In addition, the Company sells its products online through various third-party digital partner commerce sites. In Asia, the Company's wholesale business is comprised primarily of sales to department stores, with related products distributed through shop-within-shops.

No operating segments were aggregated to form the Company's reportable segments. In addition to these reportable segments, the Company also has other non-reportable segments, which primarily consist of (i) sales of Club Monaco branded products made through its retail and wholesale businesses in the U.S., Canada, and Europe, and its licensing alliances in Europe and Asia, and (ii) royalty revenues earned through its global licensing alliances, excluding Club Monaco.

The Company's segment reporting structure is consistent with how it establishes its overall business strategy, allocates resources, and assesses performance of its business. The accounting policies of the Company's segments are consistent with those described in Notes 2 and 3. Sales and transfers between segments are generally recorded at cost and treated as transfers of inventory. All intercompany revenues are eliminated in consolidation and are not reviewed when evaluating segment performance. Each segment's performance is evaluated based upon net revenues and operating income before restructuring-related charges, impairment of assets, and certain other one-time items, if any. Certain corporate overhead expenses related to global functions, most notably the Company's executive office, information technology, finance and accounting, human resources, and legal departments, largely remain at corporate. Additionally, other costs that cannot be allocated to the segments based on specific usage are also maintained at corporate, including corporate advertising and marketing expenses, depreciation and amortization of corporate assets, and other general and administrative expenses resulting from corporate-level activities and projects. Asset information by segment is not utilized for purposes of assessing performance or allocating resources, and therefore such information has not been presented.

Effective beginning in the first quarter of Fiscal 2020, operating results related to the Company's business in Latin America are included within its Europe segment due to a change in how the Company manages this business. Previously, such results were included within the Company's other non-reportable segments. All prior period segment information has been recast to reflect this change on a comparative basis.

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Net revenues for each of the Company's segments are as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Net revenues:			
North America	\$ 3,140.5	\$ 3,202.9	\$ 3,231.0
Europe	1,632.2	1,683.0	1,608.3
Asia	1,017.2	1,041.0	933.7
Other non-reportable segments	369.9	386.1	409.3
Total net revenues	<u>\$ 6,159.8</u>	<u>\$ 6,313.0</u>	<u>\$ 6,182.3</u>

Operating income for each of the Company's segments is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Operating income^(a):			
North America	\$ 486.6	\$ 682.8	\$ 677.6
Europe	336.3	392.8	361.0
Asia	124.8	161.0	137.2
Other non-reportable segments	85.2	118.7	103.2
	1,032.9	1,355.3	1,279.0
Unallocated corporate expenses	(648.7)	(663.4)	(672.8)
Unallocated restructuring and other charges ^(b)	(67.2)	(130.1)	(108.0)
Total operating income	<u>\$ 317.0</u>	<u>\$ 561.8</u>	<u>\$ 498.2</u>

(a) Segment operating income during Fiscal 2020 reflects bad debt expense of \$38.7 million, \$15.2 million, \$1.7 million, and \$3.1 million related to North America, Europe, Asia, and other non-reportable segments, respectively, primarily related to adverse impacts associated with COVID-19 business disruptions. Segment operating income during Fiscal 2020 also reflects higher inventory charges of approximately \$108 million, \$42 million, \$17 million, and \$8 million as compared to the prior fiscal year related to North America, Europe, Asia, and other non-reportable segments, respectively, primarily related to adverse impacts associated with COVID-19 business disruptions. Segment operating income and unallocated corporate expenses during the fiscal years presented also included asset impairment charges (see Note 8), which are detailed below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Asset impairment charges:			
North America	\$ (1.9)	\$ (3.1)	\$ (4.7)
Europe	—	(5.4)	(1.2)
Asia	(3.7)	(4.4)	(1.0)
Other non-reportable segments	(19.3)	(7.0)	(22.4)
Unallocated corporate expenses	(6.7)	(5.9)	(20.7)
Total asset impairment charges	<u>\$ (31.6)</u>	<u>\$ (25.8)</u>	<u>\$ (50.0)</u>

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(b) The fiscal years presented included certain unallocated restructuring and other charges (see Note 9), which are detailed below:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Unallocated restructuring and other charges:			
North America-related	\$ (1.2)	\$ (27.0)	\$ (15.5)
Europe-related	(3.3)	(14.9)	(4.6)
Asia-related	(0.9)	(0.9)	2.5
Other non-reportable segment-related	(0.8)	(4.5)	(8.4)
Corporate operations-related	(31.4)	(46.3)	(53.2)
Unallocated restructuring charges	(37.6)	(93.6)	(79.2)
Other charges (see Note 9)	(29.6)	(36.5)	(28.8)
Total unallocated restructuring and other charges	\$ (67.2)	\$ (130.1)	\$ (108.0)

The following tables summarize depreciation and amortization expense and capital expenditures for each of the Company's segments:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Depreciation and amortization expense:			
North America	\$ 74.6	\$ 81.8	\$ 82.5
Europe	32.8	33.6	34.9
Asia	59.3	49.1	50.3
Other non-reportable segments	5.4	7.2	10.6
Unallocated corporate	97.4	95.5	102.8
Unallocated restructuring and other charges (see Note 9)	—	14.1	14.1
Total depreciation and amortization expense	\$ 269.5	\$ 281.3	\$ 295.2

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Capital expenditures:			
North America	\$ 48.5	\$ 74.6	\$ 41.9
Europe	34.3	26.6	28.8
Asia	59.6	45.2	40.7
Other non-reportable segments	7.3	5.0	5.0
Unallocated corporate	120.6	46.3	45.2
Total capital expenditures	\$ 270.3	\$ 197.7	\$ 161.6

RALPH LAUREN CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Net revenues and long-lived assets by geographic location of the reporting subsidiary are as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Net revenues^(a):			
The Americas ^(b)	\$ 3,516.4	\$ 3,602.2	\$ 3,652.1
Europe ^(c)	1,625.3	1,668.6	1,595.2
Asia ^(d)	1,018.1	1,042.2	935.0
Total net revenues	<u>\$ 6,159.8</u>	<u>\$ 6,313.0</u>	<u>\$ 6,182.3</u>

	March 28, 2020	March 30, 2019
		(millions)
Long-lived assets^{(a)(e)}:		
The Americas ^(b)	\$ 1,383.6	\$ 789.6
Europe ^(c)	772.9	140.0
Asia ^(d)	334.6	109.6
Total long-lived assets	<u>\$ 2,491.1</u>	<u>\$ 1,039.2</u>

- (a) Net revenues and long-lived assets for certain of the Company's licensed operations are included within the geographic location of the reporting subsidiary which holds the respective license.
- (b) Includes the U.S., Canada, and Latin America. Net revenues earned in the U.S. were \$3.308 billion, \$3.379 billion, and \$3.427 billion in Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively. Long-lived assets located in the U.S. were \$1.327 billion and \$766.1 million as of March 28, 2020 and March 30, 2019, respectively.
- (c) Includes the Middle East.
- (d) Includes Australia and New Zealand.
- (e) Long-lived assets as of March 28, 2020 reflect operating lease ROU assets resulting from the Company's adoption of ASU 2016-02 (see Note 4).

21. Additional Financial Information

Reconciliation of Cash, Cash Equivalents, and Restricted Cash

A reconciliation of cash, cash equivalents, and restricted cash as of March 28, 2020 and March 30, 2019 from the consolidated balance sheets to the consolidated statements of cash flows is as follows:

	March 28, 2020	March 30, 2019
		(millions)
Cash and cash equivalents	\$ 1,620.4	\$ 584.1
Restricted cash included within prepaid expenses and other current assets	1.4	11.9
Restricted cash included within other non-current assets	8.0	30.5
Total cash, cash equivalents, and restricted cash	<u>\$ 1,629.8</u>	<u>\$ 626.5</u>

Restricted cash relates to cash held in escrow with certain banks as collateral, primarily to secure guarantees in connection with certain international tax matters and real estate leases.

RALPH LAUREN CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cash Interest and Taxes

Cash paid for interest and income taxes is as follows:

	Fiscal Years Ended		
	March 28, 2020	March 30, 2019	March 31, 2018
	(millions)		
Cash paid for interest	\$ 15.4	\$ 17.3	\$ 11.7
Cash paid for income taxes	135.5	102.0	54.0

Non-cash Transactions

Operating and finance lease ROU assets recorded in connection with the recognition of new lease liabilities were \$374.0 million and \$64.0 million, respectively, during Fiscal 2020. Additionally, during Fiscal 2018, the Company recorded new finance (formerly referred to as "capital") lease assets of \$3.3 million within its consolidated balance sheet.

Non-cash investing activities also included capital expenditures incurred but not yet paid of \$29.1 million, \$47.6 million, and \$37.0 million as of the end of Fiscal 2020, Fiscal 2019, and Fiscal 2018, respectively.

Non-cash financing activities included the conversion of 1.0 million shares of Class B common stock into an equal number of shares of Class A common stock during Fiscal 2020, as discussed in Note 16.

There were no other significant non-cash investing or financing activities for any of the fiscal years presented.

MANAGEMENT'S REPORT ON RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of Ralph Lauren Corporation is responsible for the preparation, objectivity, and integrity of the consolidated financial statements and other information contained in this Annual Report. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States and include some amounts that are based on management's informed judgments and best estimates.

These consolidated financial statements have been audited by Ernst & Young LLP in Fiscal 2020, Fiscal 2019, and Fiscal 2018, which is an independent registered public accounting firm. They conducted their audits in accordance with the standards of the Public Company Accounting Oversight Board (United States) and have expressed herein their unqualified opinions on those financial statements.

The Audit Committee of the Board of Directors, which oversees all of the Company's financial reporting process on behalf of the Board of Directors, consists solely of independent directors, meets with the independent registered accountants, internal auditors, and management periodically to review their respective activities and the discharge of their respective responsibilities. Both the independent registered public accountants and the internal auditors have unrestricted access to the Audit Committee, with or without management, to discuss the scope and results of their audits and any recommendations regarding the system of internal controls.

May 27, 2020

/s/ PATRICE LOUVET

Patrice Louvet

President and Chief Executive Officer

(Principal Executive Officer)

/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

Chief Operating Officer and Chief Financial Officer

(Principal Financial and Accounting Officer)

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Ralph Lauren Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Ralph Lauren Corporation (the "Company") as of March 28, 2020 and March 30, 2019, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended March 28, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 28, 2020 and March 30, 2019, and the results of its operations and its cash flows for each of the three years in the period ended March 28, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of March 28, 2020, based on the criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated May 27, 2020 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 4 to the consolidated financial statements, the Company changed its method for accounting for leases in the fiscal year ended March 28, 2020 due to the adoption of ASU No. 2016-02, Leases (Topic 842). See below for discussion of our related critical audit matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

End-of-season Markdown Reserves

Description of the Matter

As disclosed in Note 3 of the consolidated financial statements, estimates for end-of-season markdown reserves are based on historical trends, actual and forecasted seasonal results, an evaluation of current economic and market conditions, retailer performance, and, in certain cases, contractual terms.

Auditing management's estimate of end-of-season markdown reserves was complex and judgmental as reserve amounts are sensitive to changes in market or economic conditions (including the effects of the global pandemic), and have a direct, material impact on the amount of revenue recognized by the Company. There is also significant estimation required to establish markdown reserve rates by brand and customer, which are based on the Company's review of the seasonal negotiations with each customer and the expected performance of the products in the customers' stores.

*How We Addressed
the Matter in Our
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of internal controls over the Company's process to calculate the end-of-season markdown reserves, including the consideration of historical experience, actual and forecasted seasonal results, current economic and market conditions, (including the effects of the global pandemic), retailer performance, and contractual terms as applicable.

To test the estimate of end-of-season markdown reserves, we performed audit procedures that included, among others, assessing methodologies and testing the assumptions regarding seasonal negotiations with each customer which include the application of market and economic conditions to individual customers and the expected performance of the products in the customers' stores that were used by the Company to calculate the projected markdown allowances to be issued upon settlement. We compared the significant assumptions used by management to current market and economic trends, historical results and other relevant factors. We assessed the historical accuracy of management's estimates and performed sensitivity analyses of significant assumptions to substantively test the changes in the estimate that would result from reasonable changes in the assumptions.

Estimated Realizable Value of Inventory

*Description of the
Matter*

As of March 28, 2020, the Company's net inventory balance was \$736.2 million. As described in Note 3 to the consolidated financial statements, the valuation of inventory requires management to make assumptions and judgments about the recoverability of inventory and its estimated realizable value.

The estimated realizable value of inventory is determined based on an analysis of historical sales trends, market trends and economic conditions (including the effects of the global pandemic), future sales forecasts, on-hand inventory quantities, and consideration of the value of existing customer orders for future sales of inventory. Given the importance of inventory to the Company's operations and the materiality of the balance, coupled with the judgment involved in estimating future sales, auditing management's estimated realizable value involved a higher extent of testing and the involvement of more senior members of the engagement team in executing, supervising and reviewing the results of the procedures.

*How We Addressed
the Matter in Our
Audit*

We obtained an understanding, evaluated the design, and tested the operating effectiveness of controls over the process to determine the estimated realizable value of inventory, including controls over the inputs and assumptions used in management's calculation as described above.

Our audit procedures to test the estimated realizable value of inventory included, among others, evaluating the appropriateness of management's inputs to the calculation, including testing the completeness and accuracy of the data used in management's calculation such as historical sales activity and loss rates for each class of inventory, write-off activity, on-hand inventory levels and inventory aging. Our procedures also included testing the completeness of any expected net losses on firm commitments to purchase inventory. To evaluate management's ability to accurately estimate future sales projections, which is also a key factor in the determination of the reserve, we retrospectively reviewed actual sales compared to projections and considered the impact of the global pandemic on market trends and economic conditions. We also tested the mathematical accuracy of the Company's calculation.

Adoption of Accounting Standards Update No. 2016-02, Leases

*Description of the
Matter*

As discussed above and as described in Note 4 to the consolidated financial statements, the Company adopted Accounting Standards Update 2016-02, Leases ("ASC 842") on March 31, 2019 and recorded operating lease liabilities and related operating lease right-of-use-assets of \$1.75 billion and \$1.60 billion, respectively, on its balance sheet. The Company applied its incremental borrowing rate ("IBR") to determine the present value of the remaining lease payments for each of its operating leases when calculating the operating lease liability and the related right-of-use asset. Additionally, in connection with the adoption of ASC 842, the Company recorded a \$131.6 million adjustment to reduce its opening retained earnings balance for the impairment of a right-of-use asset for one of its real estate leases ("the real estate lease").

Auditing the Company's methodology and the assumptions applied in developing the IBR involved complex auditor judgment due to the subjectivity inherent in the calculation. Additionally, auditing the Company's impairment of the right-of-use asset for the real estate lease upon adoption involved significant audit effort due to the estimation involved in determining the recoverability and fair value of the right-of-use asset.

*How We Addressed
the Matter in Our
Audit*

We obtained an understanding, evaluated the design and tested the operating effectiveness of the Company's controls over the adoption of ASC 842, including the determination of the IBR and the calculation of the impairment of the right-of-use asset for the real estate lease. For example, we tested controls over management's review of the assumptions used in the determination of the IBR and the recoverability of the real estate lease right-of-use asset, as well as the calculation of the transition adjustment.

To test the Company's IBR, we involved our valuation specialists to assist us in performing audit procedures that included, among others, evaluating the Company's selection of the IBR methodology and evaluating the significant assumptions used in applying the selected methodology. We involved our valuation specialists to assist with testing the IBR by performing corroborative calculations and a regression analysis to estimate the Company's credit rating. To test the Company's right-of-use impairment adjustment upon adoption for the real estate lease, we involved our valuation specialists to assist with testing the assumptions used in the Company's valuation.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2008.

New York, New York
May 27, 2020

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders of Ralph Lauren Corporation

Opinion on Internal Control over Financial Reporting

We have audited Ralph Lauren Corporation's internal control over financial reporting as of March 28, 2020, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, Ralph Lauren Corporation (the Company) maintained, in all material respects, effective internal control over financial reporting as of March 28, 2020, based on the COSO criteria.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of March 28, 2020 and March 30, 2019, and the related consolidated statements of operations, comprehensive income, equity, and cash flows for each of the three years in the period ended March 28, 2020, and the related notes and our report dated May 27, 2020 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

New York, New York
May 27, 2020

RALPH LAUREN CORPORATION
SELECTED FINANCIAL INFORMATION

The following table sets forth selected historical financial information as of the dates and for the periods indicated.

The consolidated statement of operations data for each of the three fiscal years in the period ended March 28, 2020, as well as the consolidated balance sheet data as of March 28, 2020 and March 30, 2019 have been derived from, and should be read in conjunction with, the audited financial statements, notes, and other financial information presented elsewhere herein. The consolidated statements of operations data for the fiscal years ended April 1, 2017 and April 2, 2016 and the consolidated balance sheet data at March 31, 2018, April 1, 2017, and April 2, 2016 have been derived from audited financial statements not included herein. Capitalized terms are as defined and described in the consolidated financial statements or elsewhere herein. The historical results are not necessarily indicative of the results to be expected in any future period.

	Fiscal Years Ended ^(a)				
	March 28, 2020 ^(b)	March 30, 2019 ^(c)	March 31, 2018 ^(c)	April 1, 2017	April 2, 2016
(millions, except per share data)					
Statement of Operations Data:					
Net revenues	\$ 6,159.8	\$ 6,313.0	\$ 6,182.3	\$ 6,652.8	\$ 7,405.2
Gross profit ^(d)	3,653.3	3,886.0	3,751.7	3,651.1	4,186.7
Impairment of assets	(31.6)	(25.8)	(50.0)	(253.8)	(48.8)
Restructuring and other charges	(67.2)	(130.1)	(108.0)	(318.6)	(142.6)
Operating income (loss)	317.0	561.8	498.2	(92.3)	582.8
Interest income (expense), net	16.8	20.1	(5.9)	(5.1)	(14.7)
Net income (loss)	\$ 384.3	\$ 430.9	\$ 162.8	\$ (99.3)	\$ 396.4
Net income (loss) per common share:					
Basic	\$ 5.07	\$ 5.35	\$ 1.99	\$ (1.20)	\$ 4.65
Diluted	\$ 4.98	\$ 5.27	\$ 1.97	\$ (1.20)	\$ 4.62
Weighted-average common shares outstanding:					
Basic	75.8	80.6	81.7	82.7	85.2
Diluted	77.2	81.7	82.5	82.7	85.9
Dividends declared per common share	\$ 2.75	\$ 2.50	\$ 2.00	\$ 2.00	\$ 2.00

^(a) Fiscal 2016 consisted of 53 weeks. All other fiscal years presented consisted of 52 weeks. The inclusion of the 53rd week in Fiscal 2016 resulted in incremental net revenues of \$72.2 million and net income of \$8.3 million, or \$0.10 per diluted share.

^(b) Fiscal 2020 reflects a one-time benefit in connection with Swiss tax reform of \$122.9 million recorded within the income tax provision (see Note 10 to the accompanying consolidated financial statements), as well as adverse impacts resulting from COVID-19 business disruptions.

^(c) Fiscal 2019 and Fiscal 2018 reflect TCJA enactment-related charges of \$27.6 million and \$221.4 million, respectively, recorded within the income tax provision (see Note 10 to the accompanying consolidated financial statements).

^(d) Fiscal 2020, Fiscal 2019, Fiscal 2018, Fiscal 2017, and Fiscal 2016 reflect restructuring-related inventory charges of \$2.2 million, \$7.2 million, \$7.6 million, \$197.9 million, and \$20.4 million, respectively (see Note 9 to the accompanying consolidated financial statements).

RALPH LAUREN CORPORATION
SELECTED FINANCIAL INFORMATION (Continued)

	March 28, 2020	March 30, 2019	March 31, 2018	April 1, 2017	April 2, 2016
(millions)					
Balance Sheet Data:					
Cash and cash equivalents	\$ 1,620.4	\$ 584.1	\$ 1,304.6	\$ 668.3	\$ 456.3
Investments	495.9	1,448.3	785.6	706.1	816.0
Working capital ^(a)	1,283.2	2,394.7	1,961.2	1,794.6	1,854.4
Total assets	7,279.9	5,942.8	6,143.3	5,652.0	6,213.1
Total debt (including current maturities of debt)	1,171.0	689.1	596.2	588.2	713.1
Other non-current obligations ^(b)	322.1	359.3	361.2	250.9	265.7
Equity	2,693.1	3,287.2	3,457.4	3,299.6	3,743.5

^(a) Working capital is calculated as total current assets less total current liabilities (including current maturities of debt).

^(b) Comprised of the Company's non-current finance lease and income tax payable obligations.

RALPH LAUREN CORPORATION
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

The following table sets forth the quarterly financial information of the Company:

	Quarterly Periods Ended ^{(a)(b)}			
	June 29, 2019	September 28, 2019	December 28, 2019 ^(c)	March 28, 2020 ^{(c)(d)}
	(millions, except per share data)			
Net revenues	\$ 1,428.8	\$ 1,706.2	\$ 1,750.7	\$ 1,274.1
Gross profit	920.8	1,049.0	1,089.1	594.4
Net income (loss)	117.1	182.1	334.1	(249.0)
Net income (loss) per common share ^(e) :				
Basic	\$ 1.50	\$ 2.37	\$ 4.47	\$ (3.38)
Diluted	\$ 1.47	\$ 2.34	\$ 4.41	\$ (3.38)
Dividends declared per common share	\$ 0.6875	\$ 0.6875	\$ 0.6875	\$ 0.6875

	Quarterly Periods Ended ^{(a)(f)}			
	June 30, 2018	September 29, 2018 ^(g)	December 29, 2018 ^(g)	March 30, 2019
	(millions, except per share data)			
Net revenues	\$ 1,390.6	\$ 1,690.9	\$ 1,725.8	\$ 1,505.7
Gross profit	895.7	1,029.3	1,059.5	901.5
Net income	109.0	170.3	120.0	31.6
Net income per common share ^(e) :				
Basic	\$ 1.33	\$ 2.09	\$ 1.50	\$ 0.40
Diluted	\$ 1.31	\$ 2.07	\$ 1.48	\$ 0.39
Dividends declared per common share	\$ 0.625	\$ 0.625	\$ 0.625	\$ 0.625

^(a) All fiscal quarters presented consisted of 13 weeks.

^(b) Net income (loss) and net income (loss) per common share for the three-month periods ended June 29, 2019, September 28, 2019, December 28, 2019, and March 28, 2020 were negatively impacted by pretax restructuring-related charges, impairment of assets (including an equity method investment), and certain other charges of \$31.4 million, \$21.0 million, \$21.4 million, and \$34.3 million, respectively (see Notes 8 and 9 to the accompanying consolidated financial statements).

^(c) Net income (loss) and net income (loss) per common share for the three-month periods ended December 28, 2019 and March 28, 2020 reflect a Swiss Tax Act benefit and charge of \$134.1 million and \$11.2 million, respectively (see Note 10 to the accompanying consolidated financial statements).

^(d) Operating results during the three months ended March 28, 2020 reflected adverse impacts associated with COVID-19 business disruptions.

^(e) Per common share amounts for the quarters and full years have been calculated separately. Accordingly, quarterly amounts may not add to the annual amount because of differences in the average number of common shares outstanding during each period, as well as the exclusion of potentially dilutive instruments from diluted weighted-average common shares outstanding during quarters with net losses.

^(f) Net income and net income per common share for the three-month periods ended June 30, 2018, September 29, 2018, December 29, 2018, and March 30, 2019 were negatively impacted by pretax restructuring-related charges, impairment of assets, and certain other charges of \$23.7 million, \$25.7 million, \$45.4 million, and \$68.3 million, respectively (see Notes 8 and 9 to the accompanying consolidated financial statements).

^(g) Net income and net income per common share for the three-month periods ended September 29, 2018 and December 29, 2018 reflect a favorable TCJA measurement period adjustment of \$4.7 million and a TCJA measurement period charge of \$32.3 million, respectively (see Note 10 to the accompanying consolidated financial statements).

**Description of the Registrant's Securities
Registered Pursuant to Section 12 of the
Securities Exchange Act of 1934**

Ralph Lauren Corporation (“we,” “our,” or “us”) has two classes of common stock outstanding, Class A and Class B. Our Class A common stock is registered under Section 12 of the Securities Exchange Act of 1934, as amended.

Description of Capital Stock

The following summary of the terms of our capital stock is based upon our Amended and Restated Certificate of Incorporation, as amended (the “Certificate of Incorporation”), and our Fourth Amended and Restated Bylaws (the “Bylaws”). The summary is not complete and is qualified by reference to our Certificate of Incorporation and our Bylaws, which are filed as exhibits to this Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law (the “DGCL”) for additional information.

At May 22, 2020, our capital stock consists of the following, each having a par value of \$.01 per share:

- 500,000,000 authorized shares of Class A common stock, of which 47,777,235 are outstanding,
- 100,000,000 authorized shares of Class B common stock, of which 24,881,276 are outstanding, and
- 30,000,000 authorized shares of preferred stock, none of which are outstanding.

The shares of Class B common stock outstanding are held of record by the members of the Lauren family and entities controlled by the Lauren family.

Common Stock

The shares of Class A common stock, Class B common stock are identical in all respects, except for:

- voting rights,
- certain conversion rights, and
- transfer restrictions of the Class B common stock.

The number of authorized shares of any class of our capital stock may be increased or decreased by the vote of a majority of the holders of the voting power of that class of capital stock who are entitled to vote generally in the election of directors, despite the provisions of Section 242(b)(2) of the DGCL or any equivalent provision enacted.

Voting Rights. The holders of Class A common stock are entitled to one vote per share. Holders of Class B common stock are entitled to ten votes per share. Holders of all classes of common stock entitled to vote are treated as voting together as a single class on all matters presented to the stockholders for their vote or approval, except for the election and the removal of directors as discussed below, or otherwise as required by applicable law.

Composition of our Board. Our Certificate of Incorporation provides that our board of directors will have between six and 20 members, plus any directors who are entitled to be elected by any series of preferred stock (these directors are referred to as the “Preferred Directors”). We currently have 134 directors on our board of directors. Of the 134 directors, holders of Class A common stock have the right to elect four directors and holders of Class B common stock have the right to elect nine of our directors.

When there are shares of Class A common stock and Class B common stock outstanding, and, if on the record date for any meeting of stockholders the number of outstanding shares of Class B common stock is at least 10% of the aggregate number of outstanding shares of all classes of common stock immediately upon the date of our initial public offering (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), then:

- the holders of the Class A common stock, voting as a separate class, shall be entitled to elect two (2) directors if the board of directors (exclusive of Preferred Directors) consists of less than ten directors, three (3) directors if the board (exclusive of Preferred Directors) consists of at least 10 but less than 13 directors, four (4) directors if the board (exclusive of Preferred Directors) consists of at least 13 but less than 19 members and five (5) directors if the board (exclusive of Preferred Directors) consists of 19 or more directors and
- the holders of Class B common stock, voting as a separate class, shall be entitled to elect all other directors.

Under all circumstances, if on the record date for any meeting of stockholders the number of outstanding shares of Class B common stock has fallen below 10% of the aggregate number of outstanding shares of all classes of common stock immediately upon the date of our initial public offering (adjusted for stock splits, stock dividends, reclassifications, recapitalizations and reverse stock splits and similar transactions), directors that would have been elected by a separate vote of the holders of the Class A common stock and Class B common stock, respectively, will instead be elected by the holders of the Class A common stock and the holders of the Class B common stock, voting together, with holders of Class A common stock having one vote per share and holders of Class B common stock having ten votes per share.

Because of the disproportionate voting rights of the Class B common stock, in certain instances holders of Class B common stock will still be able to elect a majority of the board of directors entitled to be elected by the holders of common stock, even though the number of outstanding shares of Class B common stock is less than 10% of the number of shares of all classes of common stock that were outstanding on the date of our initial public offering.

Removal of Directors and Vacancies. Directors may be removed with or without cause and only by those holders of the class or classes of common stock or series of preferred stock that, as of the date the removal is effected, would be entitled to elect that director at the next annual meeting of stockholders.

Vacancies in a directorship may be filled only by the remaining directors who were elected by the holders of each class of common stock or series of preferred stock that elected the director creating the vacancy, and on the date that vacancy is filled, would be entitled to elect that director at the next annual meeting of the stockholders, unless there are no remaining directors, in which case vacancies in a directorship will be filled by the vote of the holders of the class or classes of common stock or series of preferred stock who, voting as a separate class on the date that vacancy is filled, would be entitled to elect that director at the next annual meeting of stockholders, or at a meeting of the holders of common stock of that class or classes or series of preferred stock.

As used in this exhibit, the term “members of the Lauren family” includes only:

- Ralph Lauren and his estate, guardian, conservator or committee,
- the spouse of Ralph Lauren and her estate, guardian, conservator or committee,
- each descendant of Ralph Lauren and their respective estates, guardians, conservators or committees,
- each “family controlled entity”, and
- the trustees of each “Lauren family trust”.

The term “family controlled entity” means:

- any not-for-profit corporation where a majority of its board of directors is composed of Ralph Lauren, Mr. Lauren’s spouse and/or descendants of Ralph Lauren,
- any other corporation where a majority of the value of its outstanding equity is owned by members of the Lauren family,
- any partnership where a majority of the economic interest of its partnership interests are owned by members of the Lauren family, and
- any limited liability or similar company where a majority of its economic interests is owned by members of the Lauren family.

The term “Lauren family trust” includes trusts whose primary beneficiaries are Mr. Lauren, Mr. Lauren’s spouse, Lauren descendants, Mr. Lauren’s siblings, spouses of descendants of Ralph Lauren and each of their respective estates, guardians, conservators or committees and/or charitable organizations, and any wholly charitable trust, where a majority of its trustees includes Mr. Lauren, the spouse of Mr. Lauren and/or members of the Lauren family.

Dividends. Holders of common stock are entitled to receive dividends at the same rate whenever dividends are declared by the board out of assets legally available for their payment, after payment of any dividends required to be paid on shares of preferred stock outstanding. We may not make any dividend or distribution to any holder of any class of common stock unless we, simultaneously, make the same dividend or distribution to each other outstanding share of common stock regardless of class.

Whenever a dividend or other distribution is payable in shares of a class of common stock, including stock splits or divisions of common stock:

- only shares of Class A common stock may be distributed to Class A stockholders,
- only shares of Class B common stock may be distributed to Class B stockholders, and
- the number of shares of each class of common stock payable per share of that class of common stock will be equal in number.

Whenever dividends or other distributions consist of other voting securities of ours or the voting securities of any corporation which is a wholly owned subsidiary of ours, we will declare and pay those dividends in two separate classes of those voting securities, identical in all respects except that:

- the voting rights of each security issued to the holders of Class A common stock will have one-tenth of the voting rights of each security issued to holders of Class B common stock,
- the security issued to holders of Class B common stock will convert into the security issued to the holders of Class A common stock upon the same terms and conditions which would apply to the conversion of Class B common stock into Class A common stock, including having the same restrictions that apply to the transfer and ownership of the Class B common stock, and
- if the securities consist of voting securities of any corporation which is a wholly owned subsidiary of ours, the voting rights which apply to each security issued to holders of Class A common stock and Class B common stock, relating to election of directors, will otherwise be as comparable as is practicable to those of, in each case, the Class A common stock and Class B common stock.

In the case of dividends or other distributions consisting of securities convertible into, or exchangeable for, our voting securities or of a wholly owned subsidiary of ours, we will provide that those convertible or exchangeable securities and the underlying securities, be identical in all respects (including the conversion or exchange rate), except that the underlying securities may have the same differences as they would have if we issued our voting securities, or those of a wholly owned subsidiary of ours, rather than issuing securities that convert into, or may be exchanged for, our voting securities.

Restrictions on Additional Issuances and Transfer. We may not issue or sell any shares of Class B common stock, or any securities which may be converted into, or exchanged or exercised for shares of Class B common stock, to any person who is not a member of the Lauren family. The term “securities” includes, but is not limited to, any rights, options, warrants or other securities.

Shares of Class B common stock may not be transferred, whether by sale, assignment, gift, bequest, appointment or otherwise, to a person who is not a member of the Lauren family.

Despite these restriction on transfer any member of the Lauren family may pledge its shares of Class B common stock to a financial institution pursuant to a bona fide pledge of the shares as collateral for indebtedness due to the pledgee so long as:

- the shares remain subject to the transfer restrictions,
- if the pledgee seeks to foreclose on the indebtedness or other similar action, the pledged shares of Class B common stock may only be transferred to a member of the Lauren Family or converted into shares of Class A common stock, as the pledgee may elect, and
- the transfer restrictions described immediately above do not apply in the case of a merger, consolidation or business combination of us with or into another corporation in which all of the outstanding shares of our common stock and preferred stock regardless of class are purchased by the acquirer.

Conversion. Class A common stock has no conversion rights. Shares of Class B common stock are convertible into Class A common stock, in whole or in part, at any time and from time to time at the option of the holder, on the basis of one share of Class A common stock for each share of Class B common stock converted.

Whenever a person is no longer a member of the Lauren family, any share of Class B common stock held by that person at that time will automatically convert into a share of Class A common stock.

Reclassification and Merger. If a reclassification or other similar transaction occurs, and as a result the shares of Class A common stock are converted into another security, then each holder of Class B common stock will be entitled to receive upon conversion the amount of the other security that the holder would have received if the conversion had occurred immediately before the record date of the reclassification or other similar transaction.

No adjustments for dividends will be made upon the conversion of any share of Class B common stock, unless:

- a share is for payment of a dividend or other distribution, and
- the share is converted after the record date.

In that case, the registered holder of that share at the close of business on that record date will be entitled to receive the dividend or other distribution which was payable on that record date regardless of the fact that the share has been converted or that we are in default in paying it.

If we enter into any consolidation, merger, combination or other transaction in which shares of common stock are exchanged for, or changed into, other stock or securities, cash and/or any other property, then the shares of each class of common stock will be exchanged for, or changed into, either:

- the same amount of stock, securities, cash and/or any other property into or for which each share of any other class of common stock is exchanged or changed; unless, the shares of common stock are exchanged for, or changed into, shares of capital stock. In that case, the shares exchanged for, or changed into, may differ, but only to the extent that the Class A common stock and the Class B common stock differ as provided in our Certificate of Incorporation, or
- if holders of each class of common stock are to receive different distributions of stock, securities, cash and/or any other property, then an amount of stock, securities, cash and/or property having a value equal to the value per share of any other class of our common stock that was exchanged or changed as determined by an independent investment banking firm of national reputation selected by the board of directors.

Liquidation. If we liquidate, any assets remaining after payment of our debts and other liabilities, and setting aside sufficient amounts for any payment due to any holders of preferred stock, will be distributable ratably among the holders of the Class A common stock and Class B common stock treated as a single class.

Other Provisions. Except as described below, the holders of common stock are not entitled to preemptive rights. None of the Class A common stock or Class B common stock may be subdivided or combined in any way unless the other classes are subdivided or combined in the same proportion.

We may not make any offering of options, rights or warrants to subscribe for shares of Class B common stock. If we make an offering of options, rights or warrants to subscribe for shares of any other class or classes of capital stock to all holders of a class of common stock, then we must simultaneously make an identical offering to all holders of the other classes of common stock, unless any class of holders, voting as a separate class, agree that the offering need not be made to their class. Accordingly, all of the options, rights or warrants offerings described in this paragraph will offer the respective holders of Class A common stock and Class B common stock the right to subscribe at the same rate per share.

Transfer Agent and Registrar. The Transfer Agent and Registrar for the Class A common stock is Computershare Trust Company, N.A.

Preferred Stock

Subject to any limitations under the DGCL, the rules of the New York Stock Exchange or other organizations on whose systems our capital stock may be quoted or listed and without any act or vote by our stockholders, our board of directors is authorized to:

- issue shares of preferred stock in one or more series,
- establish from time to time the number of shares to be included in each series,
- fix the rights, powers, preferences and privileges of the shares of each wholly unissued series,
- fix any qualifications, limitations or restrictions on that series, and
- increase or decrease the number of shares of the series;

unless the shares of preferred stock would have the right to

- vote for the election of directors under ordinary circumstances, or
- elect 50% or more of the directors under any circumstances,

in which case, the approval of the holders of at least 75% of the outstanding shares of Class B common stock is required.

No series of our preferred stock may be entitled to vote together with any class of our common stock for the election of directors who are entitled to be elected by that class of common stock. However, upon the terms of any series of preferred stock established by our board, any or all series of preferred stock could have preference over the common stock relating to dividends and other distributions, upon our liquidation or could have voting or conversion rights that could adversely affect the holders of our outstanding common stock. In addition, our ability to issue preferred stock could delay, defer or prevent a change of control of us.

Other Charter and Bylaw Provisions

Special meetings of our stockholders may be called by the board, the Chairman of the Board or our Chief Executive Officer. Except as otherwise required by law, stockholders are not entitled to request or call a special meeting of our stockholders, except where stockholders holding a majority of the shares of a class of common stock request a meeting in order to vote on a matter which that class, voting as a separate class, is entitled to vote on.

In addition, our stockholders may not take any action on any matter by written consent unless they are entitled to vote on the action as a separate class. Various provisions of our Certificate of Incorporation relating to:

- the issuance of preferred stock,

- action by stockholders,
- calling of special stockholder meetings, and
- the procedure for amending our Certificate of Incorporation and the provisions described in the above three bullet points

may be amended only with the approval of 75% of the outstanding voting power of the common stock voting as a single class, in addition to any voting requirements under the DGCL.

In addition, the provisions of our Certificate of Incorporation relating to terms of the common stock and the provision prohibiting preferred stockholders from voting together with any class of common stock for the election of directors entitled to be elected by that class of common stock, may not be amended in any respect without the approval of the affected class of common stock, voting as a separate class. The board may from time to time adopt, amend or repeal the Bylaws. However, any bylaws adopted or amended by the board may be further amended or repealed, and any bylaws may be adopted, by our stockholders by vote of a majority of the holders of shares of our stock entitled to vote in the election of our directors.

Our Bylaws also establish advance notice procedures with respect to stockholders proposals and the nominations of candidates for election as directors. In addition, our Bylaws designate a state or federal court located within the State of Delaware as the sole and exclusive forum for certain litigation that may be initiated by our stockholders.

Section 203 of the Delaware General Corporation Law

We are subject to the provisions of Section 203 of the DGCL. Under Section 203, certain “business combinations” between a Delaware corporation whose stock generally is publicly traded or held of record by more than 2,000 stockholders and an “interested stockholder” are prohibited for a three-year period following the date that such a stockholder became an interested stockholder, unless

- the corporation has elected in its original certificate of incorporation or by subsequent amendment not to be governed by Section 203 (we did not make such an election),
- the business combination was approved by the board of directors of the corporation before the other party to the business combination became an interested stockholder,
- upon completion of the transaction that made it an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the commencement of the transaction, excluding voting stock owned by directors who are also officers or held in employee benefit plans in which the employees do not have a confidential right to tender or vote stock held by the plan, or
- the business combination was approved by the board of directors of the corporation and then ratified by the holders of at least two-thirds of the voting stock which the interested stockholder did not own.

The three-year prohibition also does not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of certain extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of the majority of the corporation's directors. The term "business combination" is defined generally to include mergers or consolidations between a Delaware corporation and an "interested stockholder", transactions with an "interested stockholder" involving the assets or stock of the corporation or its majority-owned subsidiaries and transactions which increase an interested stockholder's percentage ownership of stock. The term "interested stockholder" is defined generally as a stockholder who, together with affiliates and associates, owns (or, within three years prior, did own) 15% or more of a Delaware corporation's voting stock. Section 203 could prohibit or delay a merger, takeover or other change in control of us and therefore could discourage attempts to acquire us.

Listing

Our Class A common stock is listed and principally traded on the New York Stock Exchange under the symbol "RL."

RALPH LAUREN CORPORATIONAMENDED AND RESTATED EMPLOYMENT AGREEMENT

THIS AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the "Agreement") is made effective as of the 31st day of March, 2019 (the "Effective Date"), by and between Ralph Lauren Corporation, a Delaware corporation (the "Corporation"), and Andrew Howard Smith (the "Executive").

WHEREAS, the Executive has been employed with the Corporation pursuant to an Employment Agreement dated April 2nd, 2017, as amended (the "2017 Employment Agreement"); and

WHEREAS, the Corporation and Executive wish to amend and restate such 2017 Employment Agreement effective as of the date hereof;

NOW THEREFORE, in consideration of the mutual covenants and premises contained herein, the parties hereby agree as follows:

ARTICLE I
EMPLOYMENT

1.1 Employment Term. The Corporation hereby agrees to employ the Executive, and the Executive hereby agrees to serve the Corporation, on the terms and conditions set forth herein and in accordance with the terms of the Term Sheet attached hereto as Exhibit A (the "Term Sheet"). The Executive's employment with the Corporation is for no specified period of time and constitutes "at will" employment. As such, either the Executive or the Corporation may terminate this Agreement and Executive's employment relationship with the Corporation at any time for any reason, with or without Cause, as defined below, if by the Corporation, or with or without Good Reason, as defined below, if by the Executive, provided that if the termination of employment is initiated by Executive, Executive shall provide the Corporation with ninety (90) days advance written notice (the "Notice Period"). The Notice Period may be waived in whole or in part by the Corporation in its sole and complete discretion. The Executive's period of employment under this Agreement is referred to herein as the "Term."

1.2 Position and Duties. During the Term, the Executive shall faithfully, and in conformity with the directions of the Board of Directors of the Corporation and any Committee thereof (the "Board") or the management of the Corporation ("Management"), perform the duties of his employment, and shall devote to the performance of such duties his full time and attention. During the Term, the Executive shall serve in such position as the Board or Management may from time to time direct. During the Term, the Executive may engage in outside activities, provided those activities do not conflict with the duties and responsibilities enumerated hereunder, and provided, further, that the Executive receives written approval in advance from Management for any outside business activity that may require significant expenditure of the Executive's time in which the Executive plans to become involved, whether or not such activity is pursued for profit. The Executive shall be excused from performing any services hereunder during periods of temporary incapacity and during vacations in accordance with the Corporation's disability and vacation policies.

1.3 Place of Performance. The Executive shall be employed at the principle offices of the Corporation located in London, England; provided, however, that the Corporation reserves the right in its sole discretion to end Executive's international assignment in London, England at any time and to repatriate him to New York, New York. Executive shall be required to travel both within and outside London, England on the Corporation's business.

1.4 Compensation and Related Matters.

(a) Base Compensation. In consideration of his services during the Term, the Corporation shall pay the Executive cash compensation at an annual rate of not less than one million and fifty thousand dollars (\$1,050,000) ("Base Compensation"), less applicable withholdings. Executive's Base Compensation shall be subject to such increases as may be approved by the Board or Management. The Base Compensation shall be payable as current salary, in installments not less frequently than monthly, and at the same rate for any fraction of a month unexpired at the end of the Term.

(b) Bonus. During the Term, the Executive shall have the opportunity to earn an annual bonus in accordance with any annual bonus program the Corporation maintains that would be applicable to the Executive and in accordance with the Term Sheet.

(c) Stock Awards. During the Term, the Executive shall be eligible to participate in the Ralph Lauren Corporation 2010 Long-Term Stock Incentive Plan or any successor thereto (the "Incentive Plan"). All equity award grants to the Executive, if any, including but not limited to the grants set forth in the Term Sheet, are governed by the terms of the Incentive Plan and are subject, in all cases, to approval by the Compensation & Organizational Development Committee of the Board of Directors in its sole discretion.

(d) Auto Allowance. During the Term, the Corporation shall pay the Executive a transportation allowance in the amount of one thousand five hundred dollars (\$1,500) per month, payable consistent with the Corporation's normal payroll practices.

(e) Expenses. During the Term, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in performing services hereunder, including all reasonable expenses of travel on business, provided that such expenses are incurred and accounted for in accordance with the policies and procedures established by the Corporation.

(f) Vacations. During the Term, the Executive shall be entitled to the number of vacation days in each fiscal year, and to compensation in respect of earned but unused vacation days, determined in accordance with the Corporation's vacation program. The Executive shall also be entitled to all paid holidays given by the Corporation to its employees.

(g) Other Benefits. The Executive shall be entitled to participate in all of the Corporation's employee benefit plans and programs in effect during the Term as would be applicable to the Executive, including, without limitation, any life insurance plan, medical insurance plan, dental care plan, accidental death and disability plan, and sick/personal leave program. The Executive shall also be entitled to the benefits and allowances listed in Exhibit B to this Agreement in connection with his assignment to London (the "London Assignment"), until such time as the London Assignment ends, which shall be determined by the Corporation in its sole and complete discretion. The Corporation shall not make any changes in such plans or programs that would adversely affect the Executive's benefits thereunder, unless such change occurs pursuant to a plan or program applicable to other similarly situated employees of the Corporation and does not result in a proportionately greater reduction in the rights or benefits of the Executive as compared with other similarly situated employees of the Corporation. Except as otherwise specifically provided herein, nothing paid to the Executive under any plan or program presently in effect or made available in the future shall be in lieu of the Base Compensation or any bonus payable under Sections 1.4(a) and 1.4(b) hereof.

(h) Payments upon Transfer. In the event termination payments become payable under the laws of any jurisdiction upon Executive's repatriation following the London Assignment; or (ii) transfer to accept a new assignment with any subsidiary or affiliate of the Corporation, Executive agrees to forfeit in writing his rights to all such payments or, if Executive receives any such payments, Executive agrees to return them to the Corporation immediately. If for any reason Executive decides not to forfeit and/or return such payments, the Corporation reserves the right to offset fully the value of any such termination payments from any other form of compensation due to the Executive, including, without limitation, any compensation due under Sections 2.3(a)(i) or 4.1(a)(i) of this Agreement.

ARTICLE II TERMINATION OF EMPLOYMENT

2.1 Termination of Employment. The Executive's employment may terminate prior to the expiration of the Term under the following circumstances:

(a) Without Cause. The Executive's employment shall terminate upon the Corporation notifying the Executive that his services will no longer be required.

(b) Death. The Executive's employment shall terminate upon the Executive's death.

(c) Disability. If, as a result of the Executive's incapacity due to physical or mental illness, the Executive shall have been absent and unable to perform the duties hereunder on a full-time basis for an entire period of six consecutive months, the Executive's employment may be terminated by the Corporation following such six-month period.

(d) Cause. The Corporation may terminate the Executive's employment for Cause. For purposes hereof, "Cause" shall mean:

(i) failure by the Executive to perform the duties of the Executive hereunder (other than due to disability as defined in 2.1(c)), provided that the conduct described in this Section 2.1(d)(i) shall not constitute Cause unless and until such failure by Executive to perform his duties hereunder has not been cured to the satisfaction of the Corporation, in its sole discretion, within thirty (30) days after notice of such failure has been given by the Corporation to Executive; or

- (ii) an act of fraud, embezzlement, theft, breach of fiduciary duty, dishonesty, or any other misconduct or any violation of law (other than a traffic violation) committed by the Executive; or
 - (iii) any action by the Executive causing damage to or misappropriation of Corporation assets; or
 - (iv) the Executive's wrongful disclosure of confidential information of the Corporation or any of its affiliates;
- or

(v) the Executive's breach of Section 5.7 herein or the Executive's engagement in any competitive activity which would constitute a breach of this Agreement and/or of the Executive's duty of loyalty; or

(vi) the Executive's breach of any employment policy of the Corporation, including, but not limited to, conduct relating to falsification of business records, violation of the Corporation's code of business conduct & ethics, harassment, creation of a hostile work environment, excessive absenteeism, insubordination, violation of the Corporation's policy on drug & alcohol use, or violent acts or threats of violence; or

(vii) performance by the Executive of his employment duties in a manner deemed by the Corporation, in its sole discretion, to be grossly negligent; or

(viii) the commission of any act by the Executive, whether or not performed in the workplace, which subjects or, if publicly known, would be likely to subject the Corporation to public ridicule or embarrassment, or would likely be detrimental or damaging to the Corporation's reputation, goodwill, or relationships with its customers, suppliers, vendors, licensees or employees.

(e) Voluntary Termination. The Executive may voluntarily terminate the Executive's employment with the Corporation at any time, with or without Good Reason. For purposes of this Agreement, "Good Reason" shall mean a termination of employment by the Executive within sixty (60) days following the occurrence of (A) a material diminution in, or material adverse alteration to, Executive's title, base salary, or position, provided that a change in reporting relationship, or the removal of particular business units or functions from Executive's purview, responsibility or management shall not constitute a material diminution in or material adverse alteration to the Executive's "position" for this purpose, (B) the relocation of the Executive's principal office outside the area which comprises a fifty (50) mile radius from the Host location as provided in his international assignment terms as may be in effect from time to time, which is presently London, England, or from New York City, or from Geneva, Switzerland, or from such other location as may be mutually agreed by the parties to become the location of Executive's principal office, or (C) a failure of the Corporation to comply with any material provision of this Agreement, provided that the events described in clauses (A), (B), and (C) above shall not constitute Good Reason (1) until the Executive provides written notice to the Corporation of the existence of such material diminution, material alteration, relocation or failure, as the case may be, within thirty (30) days of its occurrence and (2) unless such material diminution, material alteration, relocation or failure, as the case may be, has not been cured within thirty (30) days after written notice of such noncompliance has been given by the Executive to the Corporation. For the avoidance of doubt, any decision by the Corporation to terminate the London Assignment and repatriate Executive to the New York City metropolitan area and its environs shall not constitute Good Reason, and any failure by Executive to repatriate to the New York City metropolitan area and its environs by the date determined by the Corporation, in its sole discretion, shall constitute a voluntary termination by the Executive without Good Reason.

2.2 Date of Termination. The date of termination shall be:

- (a) if the Executive's employment is terminated by the Executive's death, the date of the Executive's death;
- (b) if the Executive's employment is terminated by reason of Executive's disability pursuant to Section 2.1(c) or by the Corporation pursuant to Sections 2.1(a) or 2.1(d), the date specified by the Corporation; and
- (c) if the Executive's employment is terminated by the Executive, the day after the last day of the Notice Period, or, if the Notice Period is waived in whole or in part by the Corporation, the date specified by the Corporation.

2.3 Effect of Termination of Employment.

(a) If the Executive's employment is terminated by the Corporation pursuant to Section 2.1(a), or if the Executive resigns for Good Reason pursuant to Section 2.1(e), the Executive shall only be entitled to the following:

- (i) Severance. Subject to Section 2.3(a)(v) and Section 4.1(a) hereof, the Corporation shall: (a) beginning with the first payroll period following the 30th day following the date of termination of Executive's employment,

continue to pay the Executive, in accordance with the Corporation's normal payroll practice, his Base Compensation, as in effect immediately prior to such termination of employment, for the eighteen-month period commencing on the date of such termination (the "Severance Period"), provided that the initial payment shall include Base Compensation amounts for all payroll periods from the date of termination through the date of such initial payment; and (b) pay to the Executive, on the last business day of the Severance Period, an amount equal to one hundred and fifty percent (150%) of Executive's Base Compensation. Under no circumstances shall the Executive be entitled to any bonus payment for the fiscal year in which his employment is terminated. Notwithstanding the foregoing, in order to receive any severance benefits under this Section 2.3(a)(i), the Executive must sign and not timely revoke a release and waiver of claims against the Corporation, its successors, affiliates, and assigns, in a form acceptable to the Corporation on or prior to the 30th day following the date of termination of Executive's employment.

(ii) Stock Awards. The Executive's rights with respect to any equity award grants provided to the Executive by the Corporation shall be governed by the provisions of the Corporation's Incentive Plan and the respective award agreements, if any, under which such awards were granted, except as provided in Section 4.1(a).

(iii) Welfare Plan Coverages. The Executive shall continue to participate during the Severance Period in any group medical or dental insurance plan he participated in prior to the date of his termination, under substantially similar terms and conditions as an active employee; provided that participation in such group medical or dental insurance plan shall only continue for as long as permitted under COBRA and further, shall correspondingly cease at such time as the Executive (a) becomes eligible for a future employer's medical and/or dental insurance coverage (or would become eligible if the Executive did not waive coverage) or (b) violates any of the provisions of Article III as determined by the Corporation in its sole discretion. Notwithstanding the foregoing, the Executive may not continue to participate in such plans on a pre-tax or tax-favored basis.

(iv) Retirement Plans. Without limiting the generality of the foregoing, it is specifically provided that the Executive shall not accrue additional benefits under any pension plan of the Corporation (whether or not qualified under Section 401(a) of the Internal Revenue Code of 1986, as amended) during the Severance Period.

(v) Section 409A. Notwithstanding any provision in this Agreement to the contrary, no amounts shall be payable pursuant to Section 2.3(a) or Section 4.1(a) unless the Executive's termination of employment constitutes a "separation from service" within the meaning of Section 1.409A-1(h) of the Department of Treasury Regulations. If the Executive is determined to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Internal Revenue Code, as amended, and the rules and regulations issued thereunder (the "Code"), then no payment that is payable under Sections 2.3(a)(i) or 4.1(a) hereof (the "Severance Payment") on account of Executive's "separation from service" shall be made before the date that is at least six months after the Executive's "separation from service" (or if earlier, the date of the Executive's death), but rather all such payments shall be made on the date that is five business days after the expiration of that six month period, if and to the extent that the Severance Payment constitutes deferred compensation (or may be nonqualified deferred compensation) under Section 409A of the Code and such deferral is required to comply with the requirements of Section 409A of the Code. For the avoidance of doubt, no portion of the Severance Payment shall be delayed for six months after the Executive's "separation from service" if such portion (x) constitutes a "short term deferral" within the meaning of Section 1.409A-1(a)(4) of the Department of Treasury Regulations, or (y) (A) it is being paid due to the Corporation's termination of the Executive's employment without Cause or the Executive's termination of employment for Good Reason; (B) it does not exceed two times the lesser of (1) the Executive's annualized compensation from the Corporation for the calendar year prior to the calendar year in which the termination of the Executive's employment occurs, or (2) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which the Executive's employment terminates; and (C) the payment is required under this Agreement to be paid no later than the last day of the second calendar year following the calendar year in which the Executive incurs a "separation from service." For purposes of Section 409A of the Code, the Executive's right to receive installment payments pursuant to Section 2.3(a) shall be treated as a right to receive a series of separate and distinct payments. To the extent that any reimbursement of any expense under Section 1.4(e) or in-kind benefits provided under this Agreement are deemed to constitute taxable compensation to the Executive, such amounts will be reimbursed or provided no later than December 31 of the year following the year in which the expense was incurred. The amount of any such expenses reimbursed or in-kind benefits provided in one year shall not affect the expenses or in-kind benefits eligible for reimbursement or payment in any subsequent year, and the Executive's right to such reimbursement or payment of any such expenses will not be subject to liquidation or exchange for any other benefit. The determination of whether the Executive is a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code as of the time of the Executive's separation from service shall be made by the Corporation in accordance with the terms of Section 409A of the Code and applicable guidance thereunder (including without limitation Treasury Regulation Section 1.409A-1(i) and any successor provision thereto).

(b) If the Executive's employment is terminated by reason of the Executive's death or disability, pursuant to Sections 2.1(b) or 2.1(c), the Executive (or the Executive's designee or estate) shall only be entitled to whatever welfare plans benefits are available to the Executive pursuant to the welfare plans the Executive participated in prior to such termination,

and whatever stock awards may have been provided to the Executive by the Corporation the terms of which shall be governed by the provisions of the Corporation's Incentive Plan and the respective award agreements, if any, under which such stock awards were provided.

(c) If the Executive's employment is terminated by the Corporation for Cause or by the Executive without Good Reason (as defined in Section 2.1(e)), the Executive shall receive only that portion of the Executive's then current Base Compensation payable through the Executive's termination date. The Executive's rights with respect to any stock awards provided to the Executive by the Corporation shall be governed by the provisions of the Corporation's Incentive Plan and the respective award agreements, if any, under which such stock awards were provided.

ARTICLE III COVENANTS OF THE EXECUTIVE

3.1 Non-Compete.

(a) The Corporation and the Executive acknowledge that: (i) the Corporation has a special interest in and derives significant benefit from the unique skills and experience of the Executive; (ii) the Executive will use and have access to proprietary and valuable Confidential Information (as defined in Section 3.2 hereof) during the course of the Executive's employment; and (iii) the agreements and covenants contained herein are essential to protect the business and goodwill of the Corporation or any of its subsidiaries, affiliates or licensees. Accordingly, except as otherwise provided in this Agreement, the Executive covenants and agrees that during the Term, and for the twelve (12) month period following the last day of the Term, the Executive shall not provide any labor, work, services or assistance (whether as an officer, director, employee, partner, agent, owner, independent contractor, consultant, stockholder or otherwise) to a "Competing Business" in which the Executive has any of the same or similar responsibilities as Executive's responsibilities at the Corporation at any time during Executive's employment with the Corporation, if during the Term, or within the twenty-four (24) month period immediately preceding termination of employment. For purposes hereof, "Competing Business" shall mean any company or business engaged in the designing, marketing or distribution of "Relevant Products," including any of such company's subsidiaries or licensees (in the case of licensees to the extent related to the Corporation's products or marks), and shall include, without limitation, those brands and companies that the Corporation has designated in writing on the date hereof, and incorporated herein by reference and attached as Schedule A, it being understood that the Corporation may in its sole and absolute discretion modify Schedule A from time to time. For purposes hereof, "Relevant Products" shall mean products marketed and sold by the Corporation, or any of its subsidiaries or licensees, in any quantity that is not *de minimus*. Thus, Executive specifically acknowledges that Executive understands that he may not become employed by any Competing Business in any capacity for the period of one (1) year following the termination of his employment for any reason, provided that the Executive may (i) own, solely as an investment, securities of any entity which are traded on a national securities exchange if the Executive is not a controlling person of, or a member of a group that controls such entity and does not, directly or indirectly, own 2% or more of any class of securities of such entity and (ii) own and invest up to 2% of any hedge funds, private equity funds or other pooled investment vehicles so long as he is not actively involved with them. For the avoidance of doubt, the Executive shall not violate this provision by providing services to a private equity firm (or one of its portfolio companies) which invests in a Competing Business so long as the Executive is not providing services directly or indirectly to such Competing Business.

(b) It is acknowledged by the Executive that the Corporation has determined to relieve the Executive from any obligation of non-competition upon the expiration of the one year period following the termination of Executive's employment for any reason. In consideration of that, and in consideration of all of the compensation provisions in this Agreement (including the potential for the award of equity grants that may be made to the Executive), Executive agrees to the provisions of Section 3.1 and also agrees that the non-competition obligations imposed herein are fair and reasonable under all the circumstances.

3.2 Confidential Information.

(a) The Corporation owns and has developed and compiled, and will own, develop and compile, certain proprietary techniques and confidential information as described below which have great value to its business (referred to in this Agreement, collectively, as "Confidential Information"). Confidential Information includes not only information disclosed by the Corporation and/or its affiliates, subsidiaries and licensees to Executive, but also information developed or learned by Executive during the course of, or as a result of, employment hereunder, which information Executive acknowledges is and shall be the sole and exclusive property of the Corporation. Confidential Information includes all proprietary information that has or could have commercial value or other utility in the business in which the Corporation is engaged or contemplates engaging, and all proprietary information the unauthorized disclosure of which could be detrimental to the interests of the Corporation. Whether or not such information is specifically labeled as Confidential Information by the Corporation is not determinative. By way of example and without limitation, Confidential Information includes any and all information developed, obtained or owned by the

Corporation and/or its subsidiaries, affiliates or licensees concerning trade secrets, techniques, know-how (including designs, plans, procedures, processes and research records), software, computer programs, innovations, discoveries, improvements, research, development, test results, reports, specifications, data, formats, marketing data and plans, business plans, strategies, forecasts, unpublished financial information, orders, agreements and other forms of documents, price and cost information, merchandising opportunities, expansion plans, designs, store plans, budgets, projections, customer, supplier and subcontractor identities, characteristics and agreements, and salary, staffing and employment information. Notwithstanding the foregoing, Confidential Information shall not in any event include (A) Executive's personal knowledge and know-how relating to merchandising and business techniques which Executive has developed over his career in the apparel business and of which Executive was aware prior to his employment, or (B) information which (i) was generally known or generally available to the public prior to its disclosure to Executive; (ii) becomes generally known or generally available to the public subsequent to disclosure to Executive through no wrongful act of any person or (iii) which Executive is required to disclose by applicable law or regulation (provided that Executive provides the Corporation with prior notice of the contemplated disclosure and reasonably cooperates with the Corporation at the Corporation's expense in seeking a protective order or other appropriate protection of such information).

(b) Executive acknowledges and agrees that in the performance of his duties hereunder the Corporation will from time to time disclose to Executive and entrust Executive with Confidential Information. Executive also acknowledges and agrees that the unauthorized disclosure of Confidential Information, among other things, may be prejudicial to the Corporation's interests, and an improper disclosure of trade secrets. Executive agrees that he shall not, directly or indirectly, use, make available, sell, disclose or otherwise communicate to any corporation, partnership, individual or other third party, other than in the course of his assigned duties and for the benefit of the Corporation, any Confidential Information, either during his Term of employment or thereafter.

(c) The Executive agrees that upon leaving the Corporation's employ, the Executive shall not take with the Executive any software, computer programs, disks, tapes, research, development, strategies, designs, reports, study, memoranda, books, papers, plans, information, letters, e-mails, or other documents or data reflecting any Confidential Information of the Corporation, its subsidiaries, affiliates or licensees.

(d) During the Term, Executive shall disclose to the Corporation all designs, inventions and business strategies or plans developed for the Corporation, including without limitation any process, operation, product or improvement. Executive agrees that all of the foregoing are and shall be the sole and exclusive property of the Corporation and that Executive shall at the Corporation's request and cost do whatever is necessary to secure the rights thereto, by patent, copyright or otherwise, to the Corporation.

(e) Nothing in this Agreement shall be construed to prohibit Executive from reporting possible violations of law or regulation to any governmental agency or regulatory body or making other disclosures that are protected under any law or regulation, or from filing a charge with or participating in any investigation or proceeding conducted by any governmental agency or regulatory body.

(f) Notwithstanding any other provision of this Agreement: (i) the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that: (A) is made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to any attorney; and (2) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document that is filed under seal in a lawsuit, arbitration or other proceeding; (ii) if the Executive files a lawsuit or arbitration action for retaliation by the Corporation for reporting a suspected violation of law, the Executive may disclose the Corporation's trade secrets to the Executive's attorney and use the trade secret information in the court or arbitral proceeding if the Executive: (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

3.3 Non-Solicitation of Employees. The Executive covenants and agrees that during the Term, and for the twelve (12) month period following the last day of the Term, regardless of the reason for Executive's termination of employment, the Executive shall not directly or indirectly solicit or influence any other employee of the Corporation, or any of its subsidiaries, affiliates or licensees, to terminate such employee's employment with the Corporation, or any of its subsidiaries, affiliates or licensees, as the case may be, or to become employed by a Competing Business. As used herein, "solicit" shall include, without limitation, requesting, encouraging, enticing, assisting, or causing, directly or indirectly.

3.4 Nondisparagement. The Executive agrees that during the Term and thereafter whether or not he is receiving any amounts pursuant to Sections 2.3 and 4.1, the Executive shall not make any statements or comments that reasonably could be considered to shed an adverse light on the business or reputation of the Corporation or any of its subsidiaries, affiliates or licensees, the Board or any officer of the Corporation or any of its subsidiaries, affiliates or licensees; provided, however, the foregoing limitation shall not apply to (i) compliance with legal process or subpoena, or (ii) statements in response to an inquiry from a court or regulatory body.

3.5 Remedies.

(a) The Executive acknowledges and agrees that in the event the Corporation reasonably determines that the Executive has breached any provision of this Article III, that such conduct will constitute a failure of the consideration for which stock awards had been previously granted to the Executive or could be awarded in the future to Executive, and notwithstanding the terms of any stock award agreement, plan document, or other provision of this Agreement to the contrary, the Corporation may in its sole discretion notify the Executive that all unexercised stock options, restricted stock units, and other equity awards that Executive has are forfeited. Further, the Executive shall immediately forfeit the right to receive any further grants of or vest any further in any unvested stock options, unvested restricted stock units or other unvested equity awards of the Corporation at the time of such notice, and Executive waives any right to assert that any such conduct by the Corporation violates any federal or state statute, case law or policy.

(b) If the Corporation reasonably determines that the Executive has breached any provision contained in this Article III, the Corporation shall have no further obligation to make any payment or provide any benefit whatsoever to the Executive pursuant to this Agreement, and may also recover from the Executive all such damages as it may be entitled to at law or in equity. In addition, the Executive acknowledges that any such breach is likely to result in immediate and irreparable harm to the Corporation for which money damages are likely to be inadequate. Accordingly, the Executive consents to injunctive and other appropriate equitable relief upon the institution of proceedings therefor by the Corporation in order to protect the Corporation's rights hereunder. Such relief may include, without limitation, an injunction to prevent: (i) the breach or continuation of Executive's breach; (ii) the Executive from disclosing any trade secrets or Confidential Information (as defined in Section 3.2); (iii) any Competing Business from receiving from the Executive or using any such trade secrets or Confidential Information; and/or (iv) any such Competing Business from retaining or seeking to retain any employees of the Corporation.

3.6 The provisions of this Article III shall survive the termination of this Agreement and Executive's Term of employment.

ARTICLE IV CHANGE IN CONTROL

4.1 Change in Control.

(a) Effect of a Change in Control. Notwithstanding anything contained herein to the contrary, if the Executive's employment is terminated within twelve (12) months following a Change in Control (as defined in Section 4.1(b) hereof) during the Term by the Corporation for any reason other than Cause, or by the Executive for Good Reason, then:

(i) Severance. The Corporation shall pay to the Executive, in lieu of any amounts otherwise due to him under Section 2.3(a) hereof, within fifteen (15) days of the Executive's termination of employment, or within the timeframe required by Section 2.3(a)(v) hereof if applicable, a lump sum amount equal to two (2) times the sum of: (A) the Executive's Base Compensation, as in effect immediately prior to such termination of employment; and (B) the bonus paid to the Executive for the most recently completed fiscal year prior to the fiscal year in which his employment is terminated. Notwithstanding the foregoing, solely to the extent necessary to comply with Section 409A of the Code, a portion of such lump sum payment will not be payable at such time if the duration of the Severance Period that would have otherwise applied under Section 2.3(a)(i) (had a Change in Control not occurred during the twelve-month period prior to such termination of employment) would have extended beyond the end of the second calendar year following the calendar year in which such termination of employment occurs (any such period beyond the end of such second calendar year is the "Extended Severance Payment Period"). In addition, such other amounts that otherwise would have been payable to the Executive under Section 2.3(a)(i) had a Change in Control not occurred during the twelve (12) month period prior to such termination of employment, and that would have constituted nonqualified deferred compensation subject to Section 409A of the Code, will also not be included as part of such lump sum payment. In such event, an amount equal to the aggregate installment payments that would have been payable during the Extended Severance Payment Period, and the amounts described in the preceding sentence, shall be deducted from the amount otherwise payable in a lump sum in accordance with the first sentence hereof. Such deducted amount shall, instead, be payable at the same time that, and in the same manner as, such payments would have been paid if the Executive's employment had been terminated pursuant to Section 2.3(a) hereof rather than within a twelve-month period following a Change in Control.

(ii) Stock Awards. Subject to Section 2.3(a)(v), the Executive shall immediately become vested in any unvested stock options granted to the Executive by the Corporation prior to the Change in Control and Executive will have six (6) months from the date of termination under this circumstance to exercise all vested options (but in no event later than the expiration date of such options). In addition, subject to Section 2.3(a)(v), any awards of PSUs and restricted shares which are unvested shall be deemed vested immediately prior to such Change in Control.

(b) Definition. For purposes hereof, a “Change in Control” shall mean the occurrence of any of the following:

(i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Corporation to any “person” or “group” (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934 (“Act”)) other than Permitted Holders;

(ii) any person or group is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Act, except that a person shall be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50 percent of the total voting power of the voting stock of the Corporation, including by way of merger, consolidation or otherwise; provided, however, that for purposes of this Agreement, the following acquisitions shall not constitute a Change in Control: (I) any acquisition by the Corporation or any affiliate, (II) any acquisition by any employee benefit plan sponsored or maintained by the Corporation or any affiliate, (III) any acquisition by one or more of the Permitted Holders, or (IV) any acquisition which complies with clauses (A), (B) and (C) of subsection (v) below;

(iii) during any period of twelve (12) consecutive months, Present and/or New Directors cease for any reason to constitute a majority of the Board;

(iv) the Permitted Holders’ beneficial ownership of the total voting power of the voting stock of the Corporation falls below 30 percent and either Ralph Lauren is not nominated for a position on the Board of Directors, or he stands for election to the Board of Directors and is not elected;

(v) the consummation of a reorganization, recapitalization, merger, consolidation, statutory share exchange or similar form of corporate transaction involving the Corporation that requires the approval of the Corporation’s stockholders, whether for such transaction or the issuance of securities in the transaction (a “Business Combination”), unless immediately following such Business Combination: (A) more than 50% of the total voting power of (x) the entity resulting from such Business Combination (the “Surviving Company”), or (y) if applicable, the ultimate parent entity that directly or indirectly has beneficial ownership of sufficient voting securities eligible to elect a majority of the members of the board of directors (or the analogous governing body) of the Surviving Company (the “Parent Company”), is represented by the shares of voting stock of the Corporation that were outstanding immediately prior to such Business Combination (or, if applicable, is represented by shares into which the shares of voting stock of the Corporation were converted pursuant to such Business Combination), and such voting power among the holders thereof is in substantially the same proportion as the voting power was among the holders of the shares of voting stock of the Corporation that were outstanding immediately prior to the Business Combination, (B) no person (other than any employee benefit plan sponsored or maintained by the Surviving Company or the Parent Company, or one or more Permitted Holders), is or becomes the beneficial owner, directly or indirectly, of 50% or more of the total voting power of the outstanding voting securities eligible to elect members of the board of directors of the Parent Company (or the analogous governing body) (or, if there is no Parent Company, the Surviving Company) and (C) at least a majority of the members of the board of directors (or the analogous governing body) of the Parent Company (or, if there is no Parent Company, the Surviving Company) following the consummation of the Business Combination were Board members at the time of the Board’s approval of the execution of the initial agreement providing for such Business Combination; or

(vi) the stockholders of the Corporation approve a plan of complete liquidation or dissolution of the Corporation.

For purposes of this Section 4.1(b), the following terms have the meanings indicated: “Permitted Holders” shall mean, as of the date of determination: (A) any and all of Ralph Lauren, his spouse, his siblings and their spouses, and descendants of them (whether natural or adopted) (collectively, the “Lauren Group”); and (B) any trust established and maintained primarily for the benefit of any member of the Lauren Group and any entity controlled by any member of the Lauren Group. “Present Directors” shall mean individuals who at the beginning of any one year period were members of the Board. “New Directors” shall mean any directors whose election by the Board or whose nomination for election by the shareholders of the Corporation was approved by a vote of a majority of the directors of the Corporation who, at the time of such vote, were either Present Directors or New Directors but excluding any such individual whose initial assumption of office occurs solely as a result of an actual or threatened proxy contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a person other than the Board.

5.6 Attorney's Fees. Each party shall bear its own attorney's fees and costs incurred in any action or dispute arising out of this Agreement and/or the employment relationship.

5.7 No Conflict. Executive represents and warrants that he is not party to any agreement, contract, understanding, covenant, judgment or decree or under any obligation, contractual or otherwise, with any other party that in any way restricts or adversely affects his ability to act for the Corporation in all of the respects contemplated hereby, including but not limited to any obligations to comply with any non-compete or non-solicitation provisions. Executive represents and warrants that he has not disclosed, will not disclose, and has no intention of disclosing any trade secrets or any confidential and/or proprietary business information of any other company to the Corporation or to any individual employed by or associated with the Corporation, nor has he used or will he use any such information for the Corporation's or his benefit.

5.8 Enforceability. Each of the covenants and agreements set forth in this Agreement are separate and independent covenants, each of which has been separately bargained for and the parties hereto intend that the provisions of each such covenant shall be enforced to the fullest extent permissible. Should the whole or any part or provision of any such separate covenant be held or declared invalid, such invalidity shall not in any way affect the validity of any other such covenant or of any part or provision of the same covenant not also held or declared invalid. If any covenant shall be found to be invalid but would be valid if some part thereof were deleted or the period or area of application reduced, then such covenant shall apply with such minimum modification as may be necessary to make it valid and effective. The failure of either party at any time to require performance by the other party of any provision hereunder will in no way affect the right of that party thereafter to enforce the same, nor will it affect any other party's right to enforce the same, or to enforce any of the other provisions in this Agreement; nor will the waiver by either party of the breach of any provision hereof be taken or held to be a waiver of any prior or subsequent breach of such provision or as a waiver of the provision itself.

5.9 Miscellaneous. No right or interest to, or in, any payments shall be assignable by the Executive; provided, however, that this provision shall not preclude the Executive from designating in writing one or more beneficiaries to receive any amount that may be payable after the Executive's death and shall not preclude the legal representative of the Executive's estate from assigning any right hereunder to the person or persons entitled thereto. If the Executive should die while any amounts would still be payable to the Executive hereunder, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's written designee or, if there be no such designee, to the Executive's estate. This Agreement shall be binding upon and shall inure to the benefit of, and shall be enforceable by, the Executive, the Executive's heirs and legal representatives and the Corporation and its successors. The section headings shall not be taken into account for purposes of the construction of any provision of this Agreement.

5.10 Meaning of Signing This Agreement. By signing this Agreement, Executive expressly acknowledges and agrees that (a) he has carefully read it and fully understands what it means; (b) he has been advised in writing to discuss this Agreement with an independent attorney of his own choosing before signing it and has had a reasonable opportunity to confer with his attorney and has discussed and reviewed this Agreement with his attorney prior to executing it and delivering it to the Corporation; (c) he has had answered to his satisfaction any questions he has with regard to the meaning and significance of any of the provisions of this Agreement; and (d) he has agreed to this Agreement knowingly and voluntarily of his own free will and was not subjected to any undue influence or duress, and assents to all the terms and conditions contained herein with the intent to be bound hereby.

5.11 Compliance with Section 409A. The parties acknowledge and agree that, to the extent applicable, this Agreement shall be interpreted in accordance with, and the parties agree to use their best efforts to achieve timely compliance with, Section 409A of the Code and the Department of Treasury Regulations and other interpretive guidance issued thereunder ("Section 409A"), including without limitation any such regulations or other guidance that may be issued after the Effective Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Corporation determines that any compensation or benefits payable or provided hereunder may be subject to Section 409A, the Corporation reserves the right (without any obligation to do so or to indemnify the Executive for failure to do so) to adopt such limited amendments to this Agreement and appropriate policies and procedures, including amendments and policies with retroactive effect, that the Corporation reasonably determines are necessary or appropriate to (a) exempt the compensation and benefits payable under this Agreement from Section 409A and/or preserve the intended tax treatment of the compensation and benefits provided with respect to this Agreement or (b) comply with the requirements of Section 409A.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date and year first above written.

RALPH LAUREN CORPORATION

/s/ Roseann Lynch

By: Roseann Lynch

Title: Executive Vice President, Chief People Officer and
Global Human Rights Officer

/s/ Andrew Howard Smith

ANDREW HOWARD SMITH

SCHEDULE A

Abercrombie & Fitch Co.
Ann Taylor Stores Corp.
Belk, Inc.
Brooks Brothers Group, Inc.
Brunello Cucinelli S.p.A.
Burberry Limited
Campagnie Financiere Richemont SA
Chanel S.A.
Coach, Inc.
Dillard's Inc.
Dolce & Gabbana srl
G-III Apparel Group, Ltd.
Gap Inc.
Giorgio Armani Corp.
Gilt Groupe Holdings Inc.
Hermes International SCA
Hudson's Bay Company
Hugo Boss AG
J. Crew Group, Inc.
J.C. Penney Company, Inc.
Kate Spade & Company
Kering S.A.
Limited Brands, Inc.
LVMH Moet Hennessy - Louis Vuitton S.E.
Macy's Inc.
Michael Kors, Inc.
Neiman Marcus Group, Inc.
Nike, Inc.
Nordstrom, Inc.
Prada (aka I Pellettieri d'Italia S.P.A.)
PVH Corp.
Restoration Hardware Holdings, Inc.
Salvatore Ferragamo Italia S.P.A.
TJX Companies, Inc.
Tory Burch LLC
Vineyard Vines LLC
YOOX Net-a-Porter Group
Under Armour, Inc.
Urban Outfitters, Inc.
VF Corporation
Williams-Sonoma, Inc.

EXHIBIT A

Term Sheet
Andrew Howard Smith

Title: Executive Vice President, Chief Commercial Officer

Effective Date: March 31, 2019

Reports To: President and Chief Executive Officer

Base Salary: \$1,050,000 annually (less all applicable taxes and other deductions)

Executive Officer
Annual Incentive
Plan:

You will be eligible to participate in the Executive Officer Annual Incentive Plan (EOAIP) for fiscal 2020, which begins on March 31, 2019.

- Bonus target is 150% of fiscal year salary earnings
- Bonus opportunity will be based 100% on total Company performance
- Calculation can flex up or down by -10% to +10% based on achievement of strategic goals
- The maximum bonus opportunity (including strategic goal adjustment) is capped at 300% of your fiscal year salary earnings

(At all times your bonus opportunity will be governed by and subject to the terms and conditions of the Company's EOAIP as set forth in its annual EOAIP overviews or other similar documents, and nothing contained herein restricts the Company's rights to alter, amend or terminate the EOAIP at any time.)

Long-Term
Incentive Plan:

You are eligible to participate in the Ralph Lauren Corporation 2010 Long-Term Stock Incentive Plan ("LTSIP"), as may be amended from time to time. Stock awards are subject to ratification by the Compensation and Organizational Development Committee of the Board of Directors ("Compensation Committee"). In accordance with the terms of the LTSIP, you will be eligible to receive an annual stock award with a target grant value of \$2,750,000 beginning with the fiscal 2020 annual grant cycle.

Exhibit B

Andrew Howard Smith London Assignment Benefits

This Exhibit B confirms the terms and conditions governing your expatriate assignment from New York, US (Home Location) to London, United Kingdom (Host Location) and provides details of the support you will receive under the Ralph Lauren Long Term Global Assignment Policy. The terms and conditions outlined in this letter are in effect only for the period of the Assignment, which may be terminated by the Company at any time in its sole discretion. Following the end of the Assignment, you will no longer receive the premiums, allowances, differentials and other assignment-specific benefits provided while on the Assignment.

GENERAL INFORMATION

Term

Your international assignment to London, United Kingdom (the "Assignment") will begin on March 31, 2019 ("Assignment Start Date").

Immigration

This agreement is contingent upon your obtaining the appropriate government clearances, visas and work permits. The Company will assist you in ensuring these immigration matters are properly handled and will bear the costs for you to obtain the necessary visas, medical examinations and/or immunizations, as well as reasonable travel expenses associated with fulfilling these requirements. The Assignment will immediately terminate and you will be repatriated if any necessary immigration visa(s), work permit(s) and related documentation are withheld, withdrawn or expire without renewal.

Point-of-Origin

Your Home office location has been designated as New York, New York, US, and it is anticipated that you will return to this location upon the end of your assignment.

EMPLOYEE BENEFITS

Employee Benefits

During the Assignment, with the exception of your medical and dental plans, you will maintain benefit coverage under the US benefit plans as offered to US employees. We will provide medical coverage for you and your family under our UHC Global Medical plan and information will be provided separately. Questions about your other US benefit plans should be addressed to the Company's benefits department. Employee contributions for benefits will be deducted from your paycheck.

Relocation

You will relocate from Geneva, Switzerland to London, United Kingdom where you will be based for the length of the Assignment. The Company will provide the services of a relocation company to assist you in settling in to your new surroundings. This service will include home search and area tours to familiarize you with the neighborhoods where you will live and work. All reasonable costs for this service will be borne by the Company.

Relocation Allowance

To assist with the cost of establishing a residence, a net relocation allowance of \$50,000 or local equivalent will be provided at the time of relocation through the Company's vendor that assists with relocations. This allowance is to be used at your discretion to cover ancillary expenses such as but not limited to: driver's licenses and fees, bank charges, renter's insurance; small appliances; cleaning or handyman services, membership fees, etc.

Immigration Assistance

The Company will assist you in obtaining all required passports, work permits and visas. The time required to obtain these documents and for processing work papers varies greatly by country.

Relocation Services

The Company will provide the services of a relocation company to assist you in settling in to your new surroundings. This service will include:

House Hunting Trip (Pre-move)

The Company will cover the cost of one house hunting trip for you and your spouse/domestic partner if applicable. Reasonable expenses for up to seven days will be reimbursed related to transportation, hotel, food, rental car and incidentals based on the Company's Business Travel Policy.

Shipment of Household Goods

The Company will pay all reasonable expenses for packing, transporting and insuring your household and personal goods as well as any applicable customs, duties or fees incurred.

Storage of Household Goods

The Company will pay all reasonable expenses for storage of belongings for the duration of your assignment and up to 60 days upon completion of the assignment.

Relocation Airfare

The Company will cover the cost of direct route one-way airfare for you and your accompanying dependents and car service to/from the airport, in accordance with the Business Travel Policy.

Temporary Living

For a period of up to 30 days, you will be provided with a corporate apartment in your new work location. You will also be provided with up to 7 days in a hotel if required in your Origin Country. This assistance is also provided upon repatriation, prior to your departure to return home.

ASSIGNMENT ALLOWANCES

The Company provides allowances designed to equalize your purchasing power and living standard to comparable levels experienced in your Home country and has engaged the services of a recognized international consulting firm to provide economic data, cost of living indices and exchange rate fluctuations for this purpose. This data is updated several times each year in consideration of changes in inflation or currency. Applying this data, the following allowances will be delivered to you via your bi-weekly paycheck, effective upon moving into your permanent living quarters in the host location.

Goods & Services Differential (G&S)

A G&S differential targets your pre-assignment purchasing level and is determined on the basis of a "typical" market basket of goods and services. While the market basket may not be the exact replica of your own spending habits, it has been properly weighted by the international economic consulting service.

G&S is based on current market data supplied by a third-party vendor. The market data compares the cost of goods and services in your home location versus your host location, as well as fluctuations in exchange rates. This also takes into account any changes in family size (number of dependents) that is with you on assignment.

Your initial G&S differential will be \$27,464 per year or \$1,056.31 per pay period. This G&S differential will be reviewed and adjusted (if applicable) when your assignment commences. Any tax assessed on this assistance will be borne by the Company.

This allowance is reviewed semi-annually (February/March and August/September) and may be adjusted in accordance with changes in costs, either up or down. If there is a change of more than 5% in either direction, your G&S will be adjusted. Please note that, as standard practice, we cap any single decrease at 15% unless there is a decrease in the family size.

Please note that your G&S differential includes an amount for utilities and no additional coverage for utilities will be provided by the Company.

Should the family size that is with you on assignment change at any time while on assignment, the G&S allowance will be updated accordingly to reflect this change. Please notify global mobility immediately if there is a change in the number of the family size that is on assignment with you.

Housing Allowance

While on the Assignment, you are expected to contribute to the cost of your housing. A "housing norm" represents a statistical average that a person would have paid had they remained at home, based on family size and income level. This amount, according to the international consulting firm data based on your income and family size is \$56,604 annually. Your annual housing cost is expected to be \$164,113 annually (or \$13,676 per month. As a result, the Company will provide you with a housing allowance of up to \$107,509 per year (Housing cost of \$164,113 less \$56,604 housing norm). Any tax assessed on this allowance will be borne by the Company.

In addition, the Company will pay the cost of associated rental agency fees, any required advance rent payments and security deposits. You will be responsible for any charges or damages applied against the security deposit.

Note: In general, home ownership in the host location while on global assignment is discouraged because it can impact residential status and have negative tax implications. Therefore, should you choose to purchase housing, Company housing assistance would be discontinued. In addition, the Company will not reimburse any costs or expenses associated with the purchase or subsequent sale of any residence. Any increase in tax liability as a result of home purchase would be your responsibility.

Home Leave Allowance

The Company will provide you with a home leave allowance of \$30,000 per year paid bi-weekly through your U.S international payroll, to be used for your and your family's travel. The Home Leave allowance will be reflected in your paycheck once the assignment has started. Home leave is counted as vacation time (except any time spent conducting business). Any additional expenses (ie, car service, airport transfers etc.) will be your responsibility. All taxes assessed with this payment will be borne by the Company. Should the family size change at any time while on assignment, the travel allowance will be updated accordingly to reflect this change. Home leave cannot be booked via the Company's travel department.

Emergency Travel

In the event of the serious illness, accident or death of a member of your immediate family, the Company will reimburse emergency round trip travel costs for you and accompanying dependents. All travel will be based on the Company's business Travel Policy and must be arranged through the Company's travel department. Please reach out to Global Mobility to coordinate the booking as airfare costs will be charged to the Global Mobility credit card.

Education Assistance

Education assistance will be provided for your school aged children (from 3 years up to the age of 18) to attend school in the United Kingdom. The Company or its international assignment vendor will reimburse or pay the school directly upon providing all the supporting invoices and/or receipts. The company will cover up to \$30,000 per child annually. Any additional costs will be your responsibility. Any tax assessed on this assistance will be borne by the Company.

PERSONAL INCOME TAXES

During the Assignment, you may be subject to income tax and reporting requirements in **both** your Home and Host country. To ensure that you incur no **additional** income tax cost as a result of your international service, the Company provides protection under a Tax Equalization policy for actual taxes assessed on your Company sourced income for the duration of the Assignment.

You continue to be responsible for your Home country income and social security taxes on your compensation, i.e., base salary, bonus, PSU, PRSU, RSU vesting and stock option exercises, as if you remained at home. While on assignment, this obligation becomes known as your **hypothetical tax liability** and is deducted from your pay each cycle to satisfy federal, state, or local taxes payable on Company sourced income. Additionally, your social security tax will continue to be deducted on an actual basis as required by law.

The Company will provide and pay for the services of an international accounting firm to calculate your hypothetical liability and prepare your actual Home and Host tax returns while on assignment. Because your hypothetical tax payments are an approximation of your Home country tax liability based on your Company sourced income only, at the end of each tax year, the accounting firm will prepare a tax equalization calculation to determine if your final home country tax liability is greater than the hypothetical tax withheld from your pay. If so, you will be responsible to the Company for the difference. If it is less, the Company will pay you the difference.

The intent of any tax assistance is to make you no better or worse off than if you stayed continually in your home location. Taxes paid on your behalf may result in an increase of tax refunds due to you or a reduction in your U.S. tax obligation. If your refund is increased or your obligation decreased as a result of credits included from company funded tax payments, you will need to return this funding to the Company. Note that in many circumstances, tax services are required for years after completion of an assignment. You are agreeing that the accounting firm will provide a detailed summary outlining the impact of the taxes paid.

TRAVEL CALENDAR

You are responsible for maintaining records of your travel for the duration of the Assignment and providing this information to the accounting firm for the preparation of all required tax returns. In addition, you agree to provide all necessary information and documents, in a timely manner, to the accounting firm so they may prepare your tax returns in the time required by law. If you do not comply with these requirements, the cost of any penalties assessed by the taxing authorities in each location will be your responsibility.

If you terminate your employment other than for “Good Reason” (as defined in the Agreement), or if the Company terminates your employment for “Cause” (as defined in the Agreement), in each case within twelve (12) months of the Assignment Start Date, then you shall reimburse the Company for the full amount of the relocation benefits and any up-front housing allowance benefits paid to you in accordance with this Exhibit B to the Agreement within 30 days of the date of termination of your employment. If you do not repay the aforementioned payments within this time period, the Company has the right to immediately recover the aforementioned payments from you, as well as any attorneys’ fees and costs incurred in recovering the aforementioned payments.

RALPH LAUREN CORPORATION
AMENDED AND RESTATED EXECUTIVE OFFICER ANNUAL INCENTIVE PLAN
(As Amended as of May 20, 2020)

1. PURPOSE.

The purposes of the Plan are to promote the success of the Company; to provide designated Executive Officers with an opportunity to receive incentive compensation dependent upon that success; and to attract, retain and motivate such individuals.

2. DEFINITIONS.

“Affiliate” shall mean (i) any Person that, directly or indirectly, is controlled by, or controls or is under common control with the Company and (ii) any entity in which the Company has a significant equity interest, in either case as determined by the Committee.

“Award” means an incentive award made pursuant to the Plan.

“Award Schedule” means the Award Schedule established pursuant to Section 4.1.

“Board of Directors” means the Board of Directors of the Company.

“Change in Control” has the meaning given such term in the Company’s 2019 Long-Term Stock Incentive Plan, or any successor plan, each as may be amended from time to time.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Committee” means a committee or subcommittee of the Board of Directors that is designated by the Board of Directors to administer the Plan and is composed of not less than two directors.

“Company” means Ralph Lauren Corporation and its successors.

“Executive Officer” means a person who is an executive officer of the Company for purposes of the Securities Exchange Act of 1934, as amended.

“Participant” means an Executive Officer selected from time to time by the Committee to participate in the Plan.

“Performance Award” means an Award the vesting of which is intended to be subject to achievement of performance, as determined by the Committee.

“Performance Criteria” shall mean the criterion or criteria that the Committee may select for purposes of establishing the Performance Goal(s) for a Performance Period with respect to any Performance Award under the Plan. In such event, the Performance Criteria that will be used to establish the Performance Goal(s) shall be determined in the sole discretion of the Committee, and may include one or more qualitative or quantitative measures of performance, which may be based on the attainment of specific levels of performance of the Company (and/or one or more subsidiaries, Affiliates, divisions or operational and/or business units, product lines, brands, business segments, administrative departments or any combination of the foregoing), including but not limited to, one or more of the following: (a) net earnings or net income (before or after taxes); (b) basic or diluted earnings per share (before or after taxes); (c) net revenue or net revenue growth; (d) gross revenue or gross revenue growth, or gross profit or gross profit growth; (e) net operating profit (before or after taxes); (f) return measures (including, but not limited to, return on investment, assets, capital, employed capital, invested capital, equity, or sales); (g) cash flow measures (including, but not limited to, operating cash flow, free cash flow, and cash flow return on capital), which may but are not required to be measured on a per share basis; (h) earnings before or after taxes, interest, depreciation and/or amortization; (i) gross or net operating margins; (j) productivity ratios; (k) share price (including, but not limited to, growth measures and total stockholder return); (l) expense targets or cost reduction goals; (m) general and administrative expense savings; (n) operating efficiency; (o) objective measures of customer satisfaction; (p) working capital targets; (q) measures of economic value added or other “value creation” metrics; (r) inventory control; (s) enterprise value; (t) customer retention; (u) competitive market metrics; (v) employee retention; (w) timely completion of new product rollouts; (x) timely launch of new facilities; (y) objective measures of personal targets, goals or completion of projects (including but not limited to succession and hiring projects, completion of specific acquisitions, reorganizations or other corporate transactions or capital-raising transactions, expansions of specific business operations and meeting divisional or project budgets); (z) royalty income; (aa) same store sales (comparable sales), comparisons of continuing operations to other operations; (bb) market share; (cc) new store openings (gross or net), store remodelings; (dd) cost of capital, debt leverage year-end cash position or book value; (ee) strategic objectives, development of new product lines and related revenue, sales and margin targets, franchisee growth and retention, menu design and growth, co-branding or international operations; or (ii) any combination of the foregoing. Any one or more of the Performance Criteria may be stated as a percentage of another Performance Criterion, or used on an absolute or relative basis to measure the performance of the Company, subsidiary and/or Affiliate as a whole or any divisions or operational and/or business units, product lines, brands, business segments, or administrative departments of the Company, subsidiary and/or Affiliate or any combination thereof, as the Committee may deem appropriate, or

any of the above Performance Criteria may be compared to the performance of a group of comparator companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or compared to various stock market indices. In the event that applicable tax and/or securities laws permit Committee discretion to alter the governing Performance Criteria without obtaining stockholder approval of such changes, the Committee shall have sole discretion to make such changes without obtaining stockholder approval.

“Performance Formula” shall mean, for a Performance Period, the one or more objective formulas applied against the relevant Performance Goal to determine, with regard to the Performance Award of a particular Participant, whether all, some portion but less than all, or none of the Award has been earned for the Performance Period.

“Performance Goals” shall mean, for a Performance Period, the one or more goals established by the Committee for the Performance Period based upon the Performance Criteria. The Committee is authorized at any time in its sole and absolute discretion, to adjust or modify the calculation of a Performance Goal for such Performance Period in order to prevent the dilution or enlargement of the rights of Participants, including but not limited to the occurrence of one or more of the following events: (a) asset write-downs, (b) litigation or claim judgments or settlements, (c) the effect of changes in tax laws, accounting principles, or other laws or provisions affecting reported results, (d) any reorganization and restructuring programs, (e) items that are unusual in nature or infrequently occurring as described in the Financial Accounting Standards Board Accounting Standards Codification Topic 225-20 (or any successor pronouncement thereto) and/or in management’s discussion and analysis of financial condition and results of operations appearing in the Company’s annual report to stockholders for the applicable year, (f) acquisitions or divestitures, (g) any other specific, unusual or nonrecurring events, or objectively determinable category thereof, (h) foreign exchange gains and losses, and (i) a change in the Company’s fiscal year.

“Performance Period” shall mean the one or more periods of time, as the Committee may select, over which the attainment of one or more time-based vesting conditions will be measured (or, over which the Performance Goals will be measured) for the purpose of determining a Participant’s right to and the payment of an Award.

“Person” shall mean any individual, corporation, partnership, association, joint-stock company, trust, unincorporated organization, government or political subdivision thereof or other entity.

“Plan” means this Amended and Restated Ralph Lauren Corporation Executive Officer Annual Incentive Plan.

“Plan Year” means the Company’s fiscal year.

3. PARTICIPATION.

Participants shall be selected by the Committee from among the Executive Officers. The selection of an Executive Officer as a Participant to receive an Award (including a Performance Award) shall not entitle such individual to be selected as a Participant with respect to any subsequent Awards.

4. AWARDS.

4.1. *Award Schedules.* With respect to each Award, the Committee shall establish for such Performance Period an Award Schedule for each Participant. The Award Schedule shall set forth the applicable Performance Period (and in the case of Performance Awards, the Performance Criteria, Performance Goal(s), and Performance Formula(s)) and such other information as the Committee may determine. Award Schedules may vary from Performance Period to Performance Period and from Participant to Participant.

4.2. *Determination of Awards.* A Participant shall be eligible to receive payment in respect of an Award only to the extent that the applicable conditions of such Award are satisfied, and, in the case of a Performance Award, to the extent that the Performance Goal(s) for such Award are achieved and the Performance Formula as applied against such Performance Goal(s) determines that all or some portion of such Participant’s Award has been earned for the Performance Period, all as determined by the Committee. As soon as practicable after the close of each Performance Period, the Committee shall review and determine whether, and to what extent, the Performance Goals for the Performance Period have been achieved and, if so, to calculate that amount of the Award earned by each Participant for such Performance Period based upon such Participant’s Performance Formula. Anything in this Plan to the contrary notwithstanding, the maximum Award payable to any Participant with respect to each Plan Year (or portion thereof) shall be \$20,000,000.

4.3. *Payment of Awards.* Awards shall be paid in a lump sum cash payment as soon as practicable after the amount thereof has been determined in accordance with Section 4.2, but in no event later than the fifteenth (15th) day of the third month following the Plan Year for which the Award relates (or by such later date as would still qualify as a short-term deferral for purposes of Section 409A of the Code). The Committee may, subject to such terms and conditions and within such limits as it may from time to time establish, permit one or more Participants to defer the receipt of amounts due under the Plan in a manner consistent with the requirements of Code Section 409A. Notwithstanding the foregoing, to the extent an amount was intended to be paid so as to qualify as a short-term deferral under Code Section 409A and the applicable regulations, then such payment may be delayed if the requirements of Treasury Regulation 1.409A-1(b)(4)(ii) are met.

5. TERMINATION OF EMPLOYMENT.

Termination of Employment Prior to the Last Day of the Performance Period. Unless otherwise determined by the Committee, no Award with respect to a Performance Period will be payable to any Participant who is not an employee of the Company on the last day of such Performance Period. Furthermore, except as otherwise determined by the Committee, a Participant shall be eligible to receive payment of his or her Award earned during a Performance Period, so long as the Participant is employed on the last day of such Performance Period, notwithstanding any subsequent termination of employment prior to the actual payment of the Award.

6. ADMINISTRATION.

6.1. *In General.* The Committee shall have full and complete authority, in its sole and absolute discretion, (i) to exercise all of the powers granted to it under the Plan, (ii) to construe, interpret and implement the Plan and any related document, (iii) to prescribe, amend and rescind rules relating to the Plan, (iv) to make all determinations necessary or advisable in administering the Plan, and (v) to correct any defect, supply any omission and reconcile any inconsistency in the Plan.

6.2. *Determinations.* The actions and determinations of the Committee or others to whom authority is delegated under the Plan on all matters relating to the Plan and any Awards shall be final and conclusive. Such determinations need not be uniform and may be made selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

6.3. *Appointment of Experts.* The Committee may appoint such accountants, counsel, and other experts as it deems necessary or desirable in connection with the administration of the Plan.

6.4. *Delegation.* The Committee may delegate to others the authority to execute and deliver such instruments and documents, to do all such acts and things, and to take all such other steps deemed necessary, advisable or convenient for the effective administration of the Plan in accordance with its terms and purposes, except that the Committee shall not delegate any authority with respect to decisions regarding Plan eligibility or the amount, timing or other material terms of Awards.

6.5. *Books and Records.* The Committee and others to whom the Committee has delegated such duties shall keep a record of all their proceedings and actions and shall maintain all such books of account, records and other data as shall be necessary for the proper administration of the Plan.

6.6. *Payment of Expenses.* The Company shall pay all reasonable expenses of administering the Plan, including, but not limited to, the payment of professional, attorney and expert fees.

6.7. *Code Section 409A.* Notwithstanding any provision of the Plan to the contrary, it is intended that the provisions of this Plan comply with Section 409A of the Code, and all provisions of this Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A of the Code. Each Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or in respect of such Participant in connection with this Plan or any other plan maintained by the Company (including any taxes and penalties under Section 409A of the Code), and neither the Company nor any Affiliate shall have any obligation to indemnify or otherwise hold such Participant (or any beneficiary) harmless from any or all of such taxes or penalties. Notwithstanding any provision of the Plan to the contrary and only to the extent required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A of the Code, if any Participant is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, no payments in respect of any Award that are "deferred compensation" subject to Section 409A of the Code shall be made to such Participant prior to the date that is six months after the date of Participant's "separation from service" (as defined in Section 409A of the Code) or, if earlier, Participant's date of death. Following any applicable six (6) month delay, all such delayed payments will be paid in a single lump sum on the earliest permissible payment date. With respect to any Award that is considered "deferred compensation" subject to Section 409A of the Code, references in the Plan to "termination of employment" (and substantially similar phrases) shall mean "separation from service" within the meaning of Section 409A of the Code. Unless otherwise provided by the Committee, in the event that the timing of payments in respect of any Award (that would otherwise be considered "deferred compensation" subject to Section 409A of the Code) would be accelerated upon the occurrence of (i) a Change in Control, no such acceleration shall be permitted unless the event giving rise to the Change in Control satisfies the definition of a change in the ownership or effective control of a corporation, or a change in the ownership of a substantial portion of the assets of a corporation pursuant to Section 409A of the Code or (ii) a disability, no such acceleration shall be permitted unless the disability also satisfies the definition of "Disability" pursuant to Section 409A of the Code. For purposes of Section 409A of the Code, each of the payments that may be made in respect of any Award granted under the Plan is designated as separate payments.

7. MISCELLANEOUS.

7.1. *Nonassignability.* No Award may be assigned, alienated, pledged, attached, sold or otherwise transferred or encumbered by a Participant otherwise than by will or by the laws of descent and distribution, and any such purported assignment, alienation, pledge, attachment, sale, transfer or encumbrance shall be void and unenforceable against the Company or any Affiliate; provided that the designation of a beneficiary shall not constitute an assignment, alienation, pledge, attachment, sale, transfer or encumbrance.

7.2. *Withholding Taxes.* Whenever payments under the Plan are to be made or deferred, the Company will withhold therefrom, or from any other amounts payable to or in respect of the Participant, an amount sufficient to satisfy any applicable governmental withholding tax requirements related thereto.

7.3. *Amendment or Termination of the Plan.* The Plan may be amended or terminated by the Board of Directors in any respect except that (i) no amendment may be made after the date on which an Executive Officer is selected as a Participant for a Performance Period that would adversely affect the rights of such Participant with respect to such Performance Period without the consent of the affected Participant and (ii) no amendment shall be effective without the approval of the stockholders of the Company to increase the maximum Award payable under the Plan.

7.4. *Other Payments or Awards.* Nothing contained in the Plan will be deemed in any way to limit or restrict the Company from making any award or payment to any person under any other plan, arrangement or understanding, whether now existing or hereafter in effect.

7.5. *Payments to Other Persons.* If payments are legally required to be made to any person other than the person to whom any amount is payable under the Plan, such payments will be made accordingly. Any such payment will be a complete discharge of the liability of the Company under the Plan.

7.6. *Unfunded Plan.* Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a Participant or any other Person. To the extent that any Person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

7.7. *Limits of Liability.* No member of the Board, the Committee or any employee or agent of the Company (each such person, an "Indemnifiable Person") shall be liable for any action taken or omitted to be taken or any determination made with respect to the Plan or any Award hereunder (unless constituting fraud or a willful criminal act or omission). Each Indemnifiable Person shall be indemnified and held harmless by the Company against and from any loss, cost, liability, or expense (including attorneys' fees) that may be imposed upon or incurred by such Indemnifiable Person in connection with or resulting from any action, suit or proceeding to which such Indemnifiable Person may be a party or in which such Indemnifiable Person may be involved by reason of any action taken or omitted to be taken or determination made under the Plan or any Award and against and from any and all amounts paid by such Indemnifiable Person with the Company's approval, in settlement thereof, or paid by such Indemnifiable Person in satisfaction of any judgment in any such action, suit or proceeding against such Indemnifiable Person, and the Company shall advance to such Indemnifiable Person any such expenses promptly upon written request (which request shall include an undertaking by the Indemnifiable Person to repay the amount of such advance if it shall ultimately be determined as provided below that the Indemnifiable Person is not entitled to be indemnified); provided that the Company shall have the right, at its own expense, to assume and defend any such action, suit or proceeding and once the Company gives notice of its intent to assume the defense, the Company shall have sole control over such defense with counsel of the Company's choice. The foregoing right of indemnification shall not be available to an Indemnifiable Person to the extent that a final judgment or other final adjudication (in either case not subject to further appeal) binding upon such Indemnifiable Person determines that the acts or omissions or determinations of such Indemnifiable Person giving rise to the indemnification claim resulted from such Indemnifiable Person's fraud or willful criminal act or omission or that such right of indemnification is otherwise prohibited by law or by the Company's Certificate of Incorporation or By Laws. The foregoing right of indemnification shall not be exclusive of or otherwise supersede any other rights of indemnification to which such Indemnifiable Persons may be entitled under the Company's Amended and Restated Certificate of Incorporation or By Laws, as a matter of law, individual indemnification agreement or contract or otherwise, or any other power that the Company may have to indemnify such Indemnifiable Persons or hold them harmless.

7.8. *No Right of Employment.* Nothing in this Plan will be construed as creating any contract of employment or conferring upon any Participant any right to continue in the employ or other service of the Company or limit in any way the right of the Company to change such person's compensation or other benefits or to terminate the employment or other service of such person with or without Cause.

7.9. *Section Headings.* The section headings contained herein are for convenience only, and in the event of any conflict, the text of the Plan, rather than the section headings, will control.

7.10. *Invalidity.* If any term or provision contained herein is to any extent invalid or unenforceable, such term or provision will be reformed so that it is valid, and such invalidity or unenforceability will not affect any other provision or part hereof.

7.11. *Applicable Law.* The validity, construction, and effect of the Plan and any rules and regulations relating to the Plan and any Award shall be determined in accordance with the laws of the State of New York.

7.12. *Effective Date/Term.* The Plan as most recently amended and restated became effective upon May 20, 2020, for the 2021 Plan Year. The Plan shall remain in effect in accordance with its terms unless amended or terminated in accordance with Section 7.3.

7.13. *Binding Effect.* The obligations of the Company under the Plan shall be binding on any successor corporation or organization resulting from a merger, consolidation or other reorganization of the Company, or upon any corporation or organization that succeeds to substantially all of the assets or business of the Company.

7.14. *Forfeiture Events.* The Committee may specify in an Award that an Executive Officer's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment, in the reasonable discretion of the Committee, upon the occurrence of certain specified events, in addition to any otherwise applicable vesting or performance

conditions of an Award. Such events may include, but shall not be limited to, termination of the Executive Officer's employment for cause, material violation of material written policies of the Company, or breach of noncompetition, confidentiality, or other restrictive covenants that may apply to the Executive Officer, as determined by the Committee in its reasonable discretion. In addition, if, as a result of an Executive Officer's intentional misconduct or gross negligence, as determined by the Committee in its reasonable discretion, the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, the Committee may, in its reasonable discretion, require the Executive Officer to promptly reimburse the Company for the amount of any payment previously received by the Executive Officer pursuant to any Award that was earned or accrued during the twelve (12) month period following the earlier of the first public issuance or filing with the United States Securities and Exchange Commission of any financial document embodying such financial reporting requirement that required such accounting restatement. To the extent required by applicable law or the rules and regulations of the NYSE or other securities exchange on which the Company's common stock is listed or quoted and, in such case, if so required pursuant to a written policy adopted by the Company, Awards shall be subject (including on a retroactive basis) to clawback, forfeiture or similar requirements (and such requirements shall be deemed incorporated by reference into all outstanding Awards).

CREDIT AGREEMENT¹

dated as of

August 12, 2019

among

RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SÀRL and RALPH LAUREN ASIA
PACIFIC LIMITED,
as Borrowers,

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

BANK OF AMERICA, N.A.,
as Syndication Agent

and

WELLS FARGO BANK, N.A., HSBC BANK USA, N.A., ING BANK N.V., DUBLIN BRANCH, and DEUTSCHE BANK
SECURITIES INC.,
as Co-Documentation Agents

JPMORGAN CHASE BANK, N.A. and
BOFA SECURITIES, INC.,
as Bookrunners and Lead Arrangers

¹ Conformed to reflect the changes contemplated by the First Amendment, dated as of May 26, 2020.

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Exhibit E-4 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Participants that are Partnerships for U.S. Federal Income Tax Purposes

CREDIT AGREEMENT, dated as of August 12, 2019 (this “Agreement”), as amended by the First Amendment, among RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SÀRL, RALPH LAUREN ASIA PACIFIC LIMITED, the LENDERS party hereto, BANK OF AMERICA, N.A., as Syndication Agent, WELLS FARGO BANK, N.A., HSBC BANK USA, N.A., ING BANK N.V., DUBLIN BRANCH and DEUTSCHE BANK SECURITIES INC., as Co-Documentation Agents, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms.

As used in this Agreement, the following terms have the meanings specified below:

“364-Day Credit Agreement” means the 364-Day Credit Agreement, dated as of May 26, 2020, among the Parent Borrower, the Subsidiary Borrowers, JPMorgan Chase Bank, N.A., as administrative agent and the other parties party thereto, as in effect on the First Amendment Effective Date.

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. Only Loans denominated in dollars may be ABR Loans.

“Additional Commitment Lender” has the meaning assigned to such term in Section 2.20(d).

“Additional Specified Stimulus Indebtedness” means senior unsecured or subordinated Indebtedness incurred pursuant to a credit or financial support program of or backed by a Governmental Authority with the intent to mitigate through liquidity or other financial relief the impact of the Coronavirus pandemic on the business and operations of the Parent Borrower and its Subsidiaries; provided that (i) the aggregate principal amount of all such Additional Specified Stimulus Indebtedness shall not exceed \$100,000,000, (ii) such Additional Specified Stimulus Indebtedness shall not be subject to any Guarantee by any Person other than a Loan Party, (iii) both immediately before and immediately after the incurrence of such Additional Specified Stimulus Indebtedness, no Event of Default shall have occurred and be continuing on the date such Additional Specified Stimulus Indebtedness is incurred, (iv) the covenants and events of default applicable to such Additional Specified Stimulus Indebtedness (taken as a whole) shall be reflective of market terms and conditions for the type of Indebtedness incurred or issued pursuant to the applicable credit or financial support program at the time of issuance or incurrence thereof (as determined by the Parent Borrower in good faith) and (v) such Indebtedness shall be incurred during the Specified Period.

“Additional Specified Notes Indebtedness” means one or more series of senior unsecured notes or subordinated notes, in the case of securities, whether issued in a public offering, Rule 144A or other private placement in lieu of the foregoing or otherwise, which Indebtedness is issued or incurred by a Loan Party pursuant to an indenture, note purchase agreement or otherwise; provided that (i) such Additional Specified Notes Indebtedness shall not be subject to any Guarantee by any Person other than a Loan Party, (ii) both immediately before and immediately after the incurrence of such Additional Specified Notes Indebtedness, no Event of Default shall have occurred and be continuing on the date such Additional Specified Notes Indebtedness is incurred, (iii) the aggregate amount of Additional Specified Notes Indebtedness that matures earlier than the date that is 91 days after the Maturity Date shall not exceed \$500,000,000, (iv) the covenants and events of default applicable to such Additional Specified Notes Indebtedness (taken as a whole) shall be reflective of market terms and conditions for the type of Indebtedness incurred or issued at the time of issuance or incurrence thereof (as determined by the Parent Borrower in good faith) and (v) such Indebtedness shall be incurred during the Specified Period.

“Adjusted Debt” means, for any date, for the Parent Borrower and its Subsidiaries, all Indebtedness *plus* all Operating Lease Obligations (in each case, computed on a consolidated basis) outstanding on such date.

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the next 1/100 of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMorgan in its capacity as administrative agent for the Lenders hereunder, together with any non-U.S. Affiliate of JPMorgan, to the extent that JPMorgan determines that it is necessary or appropriate to use such non-U.S. Affiliate in acting as administrative agent hereunder. Any obligations owed by any Borrower to the Administrative Agent hereunder shall be owed solely to JPMorgan, and not to any Affiliate of JPMorgan, unless such Borrower otherwise agrees in writing.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Party” has the meaning assigned to such term in Section 10.01(d).

“Agreement Currency” has the meaning assigned to such term in Section 10.13(b).

“Alternate Base Rate” means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.12, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.75%, such rate shall be deemed to be 1.75% for purposes of this Agreement.

“Alternative Currency” means (a) Euros, Hong Kong Dollars and Yen and (b) any other currency (other than dollars) that is freely available, freely transferable and freely convertible into dollars and in which dealings in deposits are carried on in the London interbank market, *provided* that such currency is reasonably acceptable to the Administrative Agent, the Lenders and, in the case of an Alternative Currency Letter of Credit, the applicable Issuing Bank.

“Alternative Currency LC Exposure” means, at any time, the sum of (a) the Dollar Equivalent, calculated in accordance with Section 1.05, of the aggregate undrawn and unexpired amount of all outstanding Alternative Currency Letters of Credit at such time plus (b) the Dollar Equivalent, calculated in each case using the Exchange Rate at the time the applicable LC Disbursement is made, of the aggregate principal amount of all LC Disbursements in respect of Alternative Currency Letters of Credit that have not yet been reimbursed at such time.

“Alternative Currency Letter of Credit” means a Letter of Credit denominated in an Alternative Currency.

“Ancillary Document” has the meaning assigned to such term in Section 10.06(b).

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Parent Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment; provided that for purposes of Section 2.19 “Applicable Percentage” shall mean the percentage of the total Commitment (disregarding any Defaulting Lender’s Commitment) represented by each Lender’s Commitment. If the Commitments have terminated or expired, “Applicable Percentage” shall mean, with respect to any Lender, the percentage of the aggregate principal amount of the Revolving Credit Exposure represented by the aggregate outstanding principal amount of such Lender’s Revolving Credit Exposure.

“Applicable Rate” means, for any day, with respect to any Eurocurrency Loan, any ABR Loan or with respect to the commitment fees payable hereunder, or with respect to the Applicable Commercial Letter of Credit Rate, or with respect to the Applicable Standby Letter of Credit Rate, as the case may be, the applicable rate per annum set forth below (expressed in basis points) under the caption “Eurocurrency Spread”, “ABR Spread” or “Commitment Fee Rate” or “Applicable Commercial Letter of Credit Rate” or “Applicable Standby Letter of Credit Rate”, as the case may be, (x) on and after the First Amendment Effective Date until the Ratings-Based Pricing Toggle Date, as set forth below:

<u>Eurocurrency Spread</u>	<u>ABR Spread</u>	<u>Commitment Fee Rate</u>	<u>Applicable Standby Letter of Credit Rate</u>	<u>Applicable Commercial Letter of Credit Rate</u>
187.50	87.50	25.00	187.50	93.75

and (y) on and after the Ratings-Based Pricing Toggle Date, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

<u>Level</u>	<u>Index Debt Ratings</u>	<u>Eurocurrency Spread</u>	<u>Commitment Fee Rate</u>	<u>Applicable Standby Letter of Credit Rate</u>	<u>Applicable Commercial Letter of Credit Rate</u>
Level I	≥ AA- by S&P or Aa3 by Moody’s	50.00	4.00	50.00	25.00
Level II	A+ by S&P or A1 by Moody’s and not Level I	62.50	5.00	62.50	31.25
Level III	A by S&P or A2 by Moody’s and not Level I or II	75.00	6.50	75.00	37.50
Level IV	A- by S&P or A3 by Moody’s and not Level I, II or III	87.50	9.00	87.50	43.75
Level V	< A- by S&P or A3 by Moody’s	100.00	10.00	100.00	50.00

For purposes of the foregoing, (i) if both Moody’s and S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the next-to-last sentence of this definition), then such rating agency shall be deemed to have established a rating for the Index Debt in Level V; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Levels lower than the other, in which case the Applicable Rate shall be determined by reference to the Level next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such

change shall have been furnished by the Parent Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if both such rating agencies shall cease to be in the business of rating corporate debt obligations, the Parent Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agencies, and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation. If either (but not both) of Moody's and S&P shall cease to have in effect a rating (whether as a result of such agency ceasing to be in the business of rating corporate debt obligations or otherwise), the Applicable Rate shall be determined by reference to the rating of the other rating agency.

“Approved Fund” has the meaning assigned to such term in Section 10.04.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Commitment” means, as to any Lender at any date of determination, an amount in dollars equal to the excess, if any, of (a) the amount of such Lender's Commitment in effect on such date over (b) the Revolving Credit Exposure of such Lender on such date.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United

Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the

acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further*, that such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Blocking Regulation” has the meaning assigned to such term in Section 3.13.

“Borrower” means, as applicable, the Parent Borrower or the applicable Subsidiary Borrower.

“Borrower Qualified Keepwell Provider” means any Qualified Keepwell Provider that is a Borrower.

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Parent Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude (i) any day on which banks are not open for dealings in dollar deposits or deposits in the applicable Alternative Currency in the London interbank market, (ii) in the case of a Eurocurrency Loan denominated in Euros, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is not open for settlement of payment in Euros or (iii) in the case of a Eurocurrency Loan denominated in an Alternative Currency other than Euro, any day on which banks are not open for dealings in such Alternative Currency in the city which is the principal financial center of the country of issuance of the applicable Alternative Currency.

“Cash Pooling Arrangements” means physical and notional cash pooling arrangements entered into in the ordinary course of business among the Parent Borrower and/or its Subsidiaries to provide cash management services, including treasury, depository, electronic funds transfer and other cash management arrangements.

“Change in Control” means the occurrence of any of the following:

(i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Parent Borrower to any “person” or “group” (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934 (“Act”)) other than Permitted Holders (as defined below);

(ii) any person or group is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Act, except that a person shall be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50 percent of the total voting power of the issued and outstanding Voting Stock of the Parent Borrower, including by way of merger, consolidation or otherwise; provided, however, that for purposes of this Agreement, the following acquisitions shall not constitute a Change in Control: (I) any acquisition by the Parent Borrower or (II) any acquisition by one or more of the Permitted Holders; or

(iii) during any period of 12 consecutive months, Present Directors and/or New Directors (as such terms are defined below) cease for any reason to constitute a majority of the Parent Borrower’s board of directors; or

(iv) the Parent Borrower ceases to beneficially own, directly or indirectly, and control, directly or indirectly, 100% of the issued and outstanding Equity Interests of any Subsidiary Borrower (including, without limitation, by means of any third party claiming a better right in the Equity Interests of a Swiss Borrower before a court in Switzerland).

The following terms have the meanings indicated: “Permitted Holders” shall mean, as of the date of determination: (A) any and all of Ralph Lauren (an individual), his spouse, his siblings and their spouses, and descendants of them (whether natural or adopted) (collectively, the “Lauren Group”); and (B) any trust established and maintained primarily for the benefit of any member of the Lauren Group and any entity controlled by any member of the Lauren Group. “Present Directors” shall mean individuals who on the Effective Date are members of the Parent Borrower’s board of directors. “New Directors” shall mean any directors of the board of directors of the Parent Borrower whose election as of or following the Effective Date by the Parent Borrower’s board of directors or whose nomination for election by the shareholders of the Parent Borrower was approved by a vote of a majority of the directors of the board of directors of the Parent Borrower who, at the time of such vote, were either Present Directors or New Directors but excluding any such individual whose initial assumption of office occurs solely as a result of an actual or threatened proxy contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Parent Borrower’s board of directors.

“Change in Law” means (a) the adoption of any law, rule, treaty or regulation after the date of this Agreement, (b) any change after the date of this Agreement in any law, rule, treaty or regulation or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender or any Issuing Bank (or, for purposes of Section 2.13(b), by any office of such Lender from or at which Loans and/or Letters of Credit are made or issued, or are booked, as the case may be, in accordance with the terms of this Agreement) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, for purposes of this Agreement, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case in clauses (x) and (y) be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Co-Documentation Agents” means Wells Fargo Bank, N.A., HSBC Bank USA N.A., ING Bank N.V., Dublin Branch, and Deutsche Bank Securities Inc., each in its capacity as co-documentation agents and its successors in such capacity.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commercial Letter of Credit” means a commercial documentary letter of credit issued by an Issuing Bank for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and any of its Subsidiaries for the purchase of goods in the ordinary course of business.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans and to acquire participations in Letters of Credit hereunder, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07, (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04 or (c) increased from time to time pursuant to Section 2.01(b), *provided* that, at the Parent Borrower’s election, up to \$500,000,000 of the Lenders’ commitments hereunder may be denominated in an Alternative Currency. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01, in the New Lender Supplement pursuant to which such Lender shall become a party hereto or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$500,000,000.

“Commitment Increase Supplement” means a supplement to this Agreement substantially in the form of Exhibit D-2.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 10.01(d).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated EBITDAR” means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary or non-recurring non-cash expenses or losses (including any noncash impairment of assets, and, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, non-cash losses on sales of assets outside of the ordinary course of business and including non-cash charges arising from the application of Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable)), (f) Consolidated Lease Expense, (g) charges incurred during such period in connection with restructuring or reorganization changes, including without limitation post-closing restructuring, reorganization and/or integration charges or costs, and (h) non-recurring fees and expenses relating to Permitted Acquisitions or other acquisitions of property or a series of related acquisitions of property, *provided* that for purposes of clause (g) and this clause (h) the aggregate amount of such charges, fees and expenses shall not exceed in any rolling four quarter period an amount equal to 20% of Consolidated EBITDAR for such period and minus, (x) to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) interest income, (ii) any extraordinary or non-recurring non-cash income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (iii) income tax credits (to the extent not netted from income tax expense) and (y) any cash payments made during such period in respect of items described in clause (e) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis in accordance with GAAP; provided, that for the purposes of determining the Consolidated Leverage Ratio of the Parent Borrower as set forth in Section 6.07 (A) for the four fiscal quarter period ending September 28, 2019, Consolidated EBITDAR shall be deemed to equal Consolidated EBITDAR for the two fiscal quarters ending September 28, 2019 *multiplied* by 2 and (B) for the four fiscal quarter period ending December 28, 2019, Consolidated EBITDAR shall be deemed to equal Consolidated EBITDAR for the three fiscal quarters ending December 28, 2019 *multiplied* by 4/3.

For the purposes of calculating Consolidated EBITDAR for any period of four consecutive fiscal quarters (each, a “Reference Period”) pursuant to any determination of the Consolidated Leverage Ratio, (i) if at any time during such Reference Period the Parent Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDAR for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDAR (if positive) attributable to the property that is the subject of such Material Disposition for such Reference Period

or increased by an amount equal to the Consolidated EBITDAR (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Parent Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDAR for such Reference Period shall be calculated after giving pro forma effect thereto (taking into account (A) such cost savings as may be determined by the Parent Borrower in a manner consistent with the evaluation performed by the Parent Borrower in deciding to make such Material Acquisition, as presented to the Parent Borrower's board of directors, *provided* that the Parent Borrower may take into account such cost savings only if it in good faith determines on the date of calculation that it is reasonable to expect that such cost savings will be implemented within 120 days following the date of such Material Acquisition (or in the case of any calculation made subsequent to such 120th day, that such cost savings have, in fact, been implemented) and (B) all transactions that are directly related to such Material Acquisition and are entered into in connection and substantially contemporaneously therewith) as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or other assets or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such licensee's rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates (the "Acquired Rights") or (iv) the acquisitions and licenses of intellectual property by the Parent Borrower and its Subsidiaries, and (b) involves the payment of consideration by the Parent Borrower and its Subsidiaries in excess of \$25,000,000; "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Parent Borrower or any of its Subsidiaries in excess of \$25,000,000. In making any calculation pursuant to this paragraph with respect to a Material Acquisition of a Person, business or rights for which quarterly financial statements are not available, the Parent Borrower shall base such calculation on the financial statements of such Person, business or rights for the then most recently completed period of 12 consecutive calendar months for which such financial statements are available and shall deem the contribution of such Person, business or rights to Consolidated EBITDAR for the period from the beginning of the applicable Reference Period to the date of such Material Acquisition to be equal to the product of (x) the number of days in such period divided by 365 multiplied by (y) the amount of Consolidated EBITDAR of such Person, business or rights for the 12-month period referred to above (calculated on the basis set forth in this definition). In making any calculation pursuant to this paragraph in connection with an acquisition of Acquired Rights to be followed by the granting of a new license of such Acquired Rights (or any rights derivative therefrom), effect may be given to such grant of such new license (as if it had occurred on the date of such acquisition) if, and only if, the Parent Borrower in good faith determines on the date of such calculation that it is reasonable to expect that such grant will be completed within 120 days following the date of such acquisition (or in the case of any calculation made subsequent to such 120th day, that such grant has, in fact, been completed).

“Consolidated Lease Expense” means, for any period, the aggregate “operating lease cost” (as such amount is determined in accordance with GAAP) included in the income statement reported in the Parent Borrower’s Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission for the quarter ended June 29, 2019 (and for fiscal periods reported thereafter), associated with Operating Lease Obligations of the Parent Borrower and its Subsidiaries for each Operating Lease outstanding during such period. Such amount does not incorporate or include any amounts payable under the Finance Leases of the Parent Borrower and its Subsidiaries.

“Consolidated Leverage Ratio” means on the last day of any Fiscal Quarter, the ratio of (a) Adjusted Debt on such day to (b) Consolidated EBITDAR for the period of four consecutive Fiscal Quarters ending on such day.

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of the Parent Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Parent Borrower or is merged into or consolidated with the Parent Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Parent Borrower) in which the Parent Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Parent Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

“Consolidated Net Worth” means as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of the Parent Borrower and its Subsidiaries after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization) over (b) all of the aggregate liabilities of the Parent Borrower and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Equity Interests, treasury stock, capital surplus and retained earnings), in each case determined on a consolidated basis (after eliminating all inter-company items) in accordance with GAAP; provided, however, that in calculating Consolidated Net Worth the effects of the Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable) shall be disregarded.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or
- (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning set forth in Section 10.17.

“Credit Party” means the Administrative Agent, the Issuing Bank or any other Lender.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund all or any portion of its Loans, (ii) fund all or any portion of its participation in a Letter of Credit or (iii) pay over to any other Credit Party any other amount required to be paid by it hereunder that is not subject to a good faith dispute, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Parent Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with all or any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans and participations in then outstanding Letters of Credit under this Agreement, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

“Disposition” means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Dollar Equivalent” means, on any date of determination, with respect to any amount hereunder denominated in an Alternative Currency, the amount of dollars determined pursuant to Section 1.05 using the Exchange Rate with respect to such Alternative Currency at the time in effect under the provisions of such Section.

“dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Subsidiary organized under the laws of any jurisdiction within the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.02).

“Electronic Signature” means an electronic symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and the Issuing Bank and any of its respective Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.04(b)(ii) (subject to such consents, if any, as may be required under Section 10.04(b)).

“Eligible Contract Participant” means any entity that constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, or to human health and safety (insofar as such health and safety may be adversely affected by exposure to dangerous or harmful substances or environmental conditions), as have been, are, or in the future become, in effect.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of

the Parent Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which notice is waived); (b) with respect to any Plan the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (f) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of any Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition upon any Loan Party or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Euro” means the single currency of participating member states of the European Monetary Union.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VII.

“Exchange Rate” means, on any day, with respect to any Alternative Currency, the rate determined by the Administrative Agent at which such Alternative Currency may be exchanged into dollars, as set forth at approximately 11:00 a.m., London time, on such day (or, in the case of any calculation involving the amount of any LC Disbursement under any Alternative Currency Letter of Credit, at the time payment thereof is made) on the applicable Reuters World Spot Page. In the event that any such rate does not appear on any Reuters World Spot Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Parent Borrower for such purpose or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternative Currency are then being conducted, at 11:00 a.m., local time, on such day (or, in the case of any calculation involving the amount of any LC Disbursement under any Alternative Currency Letter of Credit, at the time payment thereof is made) for the purchase of the applicable Alternative Currency for delivery two Business Days later, *provided* that, if at the time of any such determination, for any reason, no such spot rate is being quoted, after consultation with the Parent Borrower, the Administrative Agent may use any other reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

“Exchange Rate Date” means, if on such date any outstanding Loan or Letter of Credit is (or any Loan or Letter of Credit that has been requested at such time would be) denominated in an Alternative Currency, each of: (a) at least once during each calendar month, (b) if an Event of Default has occurred and is continuing, any Business Day designated as an Exchange Rate Date by the Administrative Agent in its sole discretion, and (c) each date (with such date to be reasonably determined by the Administrative Agent) that is on or about the date of (i) a Borrowing Request or an Interest Election Request or (ii) each request for the issuance, amendment, renewal or extension of any Letter of Credit.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, and only for so long as, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, as applicable, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the applicable or official interpretation of any thereof) by virtue of such Guarantor’s failure to constitute an Eligible Contract Participant at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party under any Loan Document, (a) income or franchise taxes imposed on (or measured

by) its net income by the United States of America, or by any other Governmental Authority as a result of a present or former connection between the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by any Loan Party under any Loan Document and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by any Loan Party under any Loan Document having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any other jurisdiction described in clause (a) above, (c) in the case of a Non-U.S. Lender, including any Issuing Bank that is a Non-U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any United States withholding tax that is imposed on amounts payable to such Non-U.S. Lender at the time such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Parent Borrower with respect to such withholding tax pursuant to Section 2.15(a), (d) any withholding tax that is imposed on amounts payable to a Lender that is attributable to such Lender's failure to comply with Section 2.15(e) or (f), (e) any taxes assessed on a recipient under the laws of the Netherlands, if and to the extent such taxes become payable as a result of such recipient having a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act (*Wet inkomstenbelasting 2001*) in a Loan Party that is resident in the Netherlands for tax purposes and (f) any United States withholding tax that is imposed by reason of FATCA.

“Existing Credit Agreement” means the Amended and Restated Credit Agreement, dated as of February 11, 2015, among the Parent Borrower, the additional borrowers party thereto, the several banks and other financial institutions parties thereto and JPMorgan Chase Bank, N.A., as administrative agent, as heretofore amended, supplemented or otherwise modified.

“Existing Maturity Date” has the meaning assigned to such term in Section 2.20(a).

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Finance Lease” means any lease of property classified as a “finance lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

“Finance Lease Obligations” means, as applied to any Person, an obligation that is required to be accounted for as a Finance Lease (and not an Operating Lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a Finance Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Parent Borrower.

“First Amendment” means the First Amendment to this Agreement, dated as of the First Amendment Effective Date.

“First Amendment Effective Date” means May 26, 2020.

“Fiscal Quarter” means with respect to the Parent Borrower and its Subsidiaries, and with respect to any Fiscal Year, (a) each of the quarterly periods ending 13 calendar weeks, 26 calendar weeks, 39 calendar weeks and 52 or 53 calendar weeks, as the case may be, after the end of the prior Fiscal Year or (b) such other quarterly periods as the Parent Borrower shall adopt after giving prior written notice thereof to the Lenders.

“Fiscal Year” means with respect to the Parent Borrower and its Subsidiaries, (a) the 52- or 53-week annual period, as the case may be, ending on the Saturday nearest to March 31 of each calendar year or (b) such other fiscal year as the Parent Borrower shall adopt with the prior written consent of the Required Lenders (which consent shall not be unreasonably withheld). Any designation of a particular Fiscal Year by reference to a calendar year shall mean the Fiscal Year ending during such calendar year.

“Foreign Plan” means any employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to United States law and is maintained or contributed to by any Loan Party or any ERISA Affiliate.

“Foreign Plan Event” means, with respect to any Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered, or (c) the failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, state-owned or state-controlled entity, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including supranational bodies (such as the European Union or European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. For purposes of all calculations provided for in this Agreement, the amount of any Guarantee of any guarantor shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor’s maximum reasonably anticipated liability in respect thereof as determined by the Parent Borrower in good faith.

“Guarantee Agreement” means the Guarantee Agreement to be executed and delivered by each Guarantor, substantially in the form of Exhibit C.

“Guarantor” means (a) with respect to both the Parent Borrower Obligations and the Subsidiary Obligations, each Domestic Subsidiary that becomes a party to the Guarantee Agreement on the Effective Date and each Domestic Subsidiary that, subsequent to the Effective Date, becomes a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) and (b) with respect to the Subsidiary Obligations only, the Parent Borrower.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any applicable Environmental Law.

“HKD Screen Rate” means, with respect to any Interest Period, the percentage rate per annum for deposits in Hong Kong Dollars for a period beginning on the first day of such Interest Period and ending on the last day of such Interest Period, displayed under the heading “HKAB HKD Interest Settlement Rates” on the Reuters Screen HKABHIBOR Page (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion) as of 11:00 a.m. Hong Kong time two business days prior to the commencement of such Interest Period.

“Hong Kong Dollars” means the lawful currency of Hong Kong.

“IBA” has the meaning assigned to such term in Section 2.12.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and any earnout obligations or similar deferred or contingent purchase price obligations not overdue or which do not appear as a liability on a balance sheet of such Person incurred in connection with any acquisition of property or series of related acquisitions of property that constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person or (iii) in any case where clauses (i) and (ii) above are inapplicable, the Acquired Rights), (e) all Indebtedness of others secured by any Lien on property owned or acquired by such Person (to the extent of such Person’s interest in such property), whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances and (j) all payment and performance obligations of every kind, nature and description of such Person under or in connection with Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person’s ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required to be consolidated in accordance with GAAP. For the avoidance of doubt, any amounts available and not drawn under the Commitment shall be deemed not to be Indebtedness.

“Indemnified Taxes” means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

“Indemnitee” has the meaning assigned to it in Section 10.03(b).

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Parent Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Insolvent” means, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“Interest Election Request” means a request by the Parent Borrower to convert or continue a Borrowing in accordance with Section 2.06.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, beginning September 30, 2019, and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Parent Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate, or HKD Screen Rate, as applicable) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate, or HKD Screen Rate, as applicable, for the longest period for which the LIBO Screen Rate, or HKD Screen Rate, as applicable, is available (for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate, or HKD Screen Rate, as applicable, for the shortest period (for which that LIBO Screen Rate, or HKD Screen Rate, as applicable, is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” means, as applied to any Person, any direct or indirect purchase or other acquisition by such Person of Equity Interests or other securities of, or any assets constituting a business unit of, any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other Person. In computing the amount involved in any Investment at the

time outstanding, (a) undistributed earnings of, and unpaid interest accrued in respect of Indebtedness owing by, such other Person shall not be included, (b) there shall not be deducted from the amounts invested in such other Person any amounts received as earnings (in the form of dividends, interest or otherwise) on such Investment or as loans from such other Person and (c) unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of Investments in such other Person shall be disregarded.

“IRS” means the United States Internal Revenue Service.

“Issuing Bank” means, as the context may require, (a) JPMorgan Chase Bank, N.A. or Bank of America, N.A., with respect to Letters or Credit issued by each of them or (b) any other Lender that becomes an Issuing Bank pursuant to Section 2.04(l), with respect to Letters of Credit issued by it, and in each case its successors in such capacity as provided in Section 2.04(j); provided that, unless JPMorgan Chase Bank, N.A. or Bank of America, N.A. (as applicable) otherwise agrees in writing in its sole discretion, Letters of Credit issued by JPMorgan Chase Bank, N.A. and Bank of America, N.A. shall be limited to the amount set forth on Schedule 2.01. In the event that there is more than one Issuing Bank at any time, references herein and in the other Loan Documents to the Issuing Bank shall be deemed to refer to the Issuing Bank in respect of the applicable Letter of Credit or to all Issuing Banks, as the context requires. Any Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate; provided, however, that no arrangement of a type described in this sentence shall be permitted if, immediately after giving effect thereto, amounts would become payable by the Parent Borrower under Section 2.13 or 2.15 that are in excess of those that would be payable under such Section if such arrangement were not implemented and, provided, further, that the fees payable to any such Affiliate shall be subject to the second sentence of Section 2.10(b).

“JPMorgan” means JPMorgan Chase Bank, N.A.

“Judgment Currency” has the meaning assigned to such term in Section 10.13(b).

“LC Disbursement” means a payment made by the applicable Issuing Bank pursuant to a Letter of Credit.

“LC Exposure” means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit (other than Alternative Currency Letters of Credit) at such time, (b) the aggregate amount of all LC Disbursements under Letters of Credit (other than Alternative Currency Letters of Credit) that have not yet been reimbursed by or on behalf of the Parent Borrower at such time and (c) the Alternative Currency LC Exposure at such time. The LC Exposure of any Lender at any time shall be its Applicable Percentage of the total LC Exposure at such time.

“Lead Arrangers” means, individually or collectively, JPMorgan Chase Bank, N.A. and BofA Securities, Inc., in their capacity as lead arrangers, and each of their successors in such capacity.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption or a New Lender Supplement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context otherwise requires, the term “Lenders” includes the Issuing Banks.

“Letter of Credit” means any Commercial Letter of Credit or Standby Letter of Credit.

“LIBO Rate” means, with respect to any Eurocurrency Borrowing for any applicable currency and for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) with respect to the applicable currency then the LIBO Rate shall be the Interpolated Rate.

“LIBO Screen Rate” means, for any Interest Period, (i) with respect to any Eurocurrency Borrowing for any applicable currency (other than Hong Kong Dollars) and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for the relevant currency) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), and (ii) with respect to any Eurocurrency Borrowing denominated in Hong Kong Dollars and for any Interest Period with respect thereto, the HKD Screen Rate; provided that if the LIBO Screen Rate as determined pursuant to clauses (i) and (ii) of this definition would be less than 0.75%, the LIBO Screen Rate shall be deemed to 0.75% for the purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement or title retention agreement (or any Finance Lease Obligations having substantially the same economic effect as any of the foregoing, but in any event not in respect of any Operating Lease Obligations) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Liquidity” means the sum of the aggregate amount of Unrestricted Cash of the Parent Borrower and its Subsidiaries plus the Available Commitment (but excluding, for the avoidance of doubt, any available commitments and proceeds of borrowings under the 364-Day Credit Agreement).

“Loan Documents” means this Agreement, the Guarantee Agreement and the First Amendment.

“Loan Party” means the Borrowers and the Guarantors.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X, as applicable.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Parent Borrower and the Subsidiaries taken as a whole or (b) the rights and remedies, taken as a whole, of the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans and Letters of Credit), or obligations in respect of one or more Swap Agreements, of any one or more of the Parent Borrower and its Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Parent Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Parent Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maturity Date” means, subject to extension in accordance with Section 2.20, August 12, 2024.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, contributed to or required to be contributed to by any Loan Party or its ERISA Affiliates.

“Net Income” (“Net Loss”) means with respect to any Person or group of Persons, as the case may be, for any fiscal period, the difference between (a) gross revenues of such Person or group of Persons and (b) all costs, expenses and other charges incurred in connection with the generation of such revenue (including, without limitation, taxes on income), determined on a consolidated or combined basis, as the case may be, and in accordance with GAAP.

“New Lender” has the meaning assigned to such term in Section 2.01(c).

“New Lender Supplement” has the meaning assigned to such term in Section 2.01(c).

“Non-Extending Lender” has the meaning assigned to such term in Section 2.20(b).

“Non-U.S. Lender” means any Lender that is not a U.S. Person.

“Notice Date” has the meaning assigned to such term in Section 2.20(b).

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); provided that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it in its reasonable discretion; provided, further, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Operating Lease” means any lease of property classified as an “operating lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

“Operating Lease Obligations” means, as applied to any Person, an obligation that is required to be accounted for as an Operating Lease (and not a Finance Lease). At the time any determination thereof is to be made, the amount of the liability in respect of an Operating Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

“Other Connection Taxes” means with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.17).

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Parent Borrower” means Ralph Lauren Corporation, a Delaware corporation.

“Parent Borrower Obligations” means the unpaid principal of and interest on the Loans made to and reimbursement obligations of the Parent Borrower (including, without limitation,

interest accruing after the maturity of the Loans made to and reimbursement obligations of the Parent Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Parent Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Parent Borrower to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Parent Borrower pursuant hereto) or otherwise.

“Participant” has the meaning set forth in Section 10.04(c)(i).

“Participant Register” has the meaning set forth in Section 10.04(c)(i).

“Patriot Act” has the meaning assigned to such term in Section 10.16.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any acquisition (in one transaction or a series of related transactions) by the Parent Borrower or any Subsidiary, on or after the Effective Date (whether effected through a purchase of Equity Interests or assets or through a merger, consolidation or amalgamation), of (i) another Person including the equity interest of any Person in which the Borrower or any Subsidiary owns an equity interest, (ii) the assets constituting all or substantially all of a business or operating business unit of another Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such licensee’s rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates or (iv) intellectual property or licenses of intellectual property, *provided that*:

- (a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business;
- (b) no Default shall have occurred and be continuing at the time thereof or would result therefrom;
- (c) such acquisition shall be effected in such manner so that the acquired Equity Interests, assets or rights are owned either by the Parent Borrower or a Subsidiary and, if effected by merger, consolidation or amalgamation, the continuing, surviving or resulting entity shall be the Parent Borrower or a Subsidiary, *provided that*, nothing in this clause shall be deemed to limit the ability of the Parent Borrower or any Subsidiary to grant to a

different licensee any acquired license rights described in clause (iii) above (or any rights derivative therefrom); and

(d) the Parent Borrower and its Subsidiaries shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenant contained in Section 6.07 recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which financial statements are available, as if such acquisition had occurred on the first day of each relevant period for testing such compliance.

“Permitted Encumbrances” means:

(a) Liens imposed by law for taxes and duties, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 5.04;

(b) landlords, carriers’, warehousemen’s, mechanics’, shippers’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;

(c) pledges and deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security laws or regulations, and pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;

(d) pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, public or statutory obligations, warranty requirements, surety and appeal bonds, bonds posted in connection with actions, suits or proceedings, performance and bid bonds and other obligations of a like nature, in each case in the ordinary course of business;

(e) Liens incurred in the ordinary course of business in connection with the sale, lease, transfer or other disposition of any credit card receivables of the Parent Borrower or any of its Subsidiaries;

(f) judgment, attachment or other similar liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;

(g) easements, zoning restrictions, restrictive covenants, encroachments, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Parent Borrower or any Subsidiary; and

(h) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Permitted Investments;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Investments” means:

(a) direct obligations of, or obligations the principal of and interest on which are directly and fully guaranteed or insured by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);

(b) investments in commercial paper having, at such date of acquisition, a credit rating of at least A-2 from S&P or P-2 from Moody’s;

(c) investments in certificates of deposit, eurocurrency time deposits, banker’s acceptances and time deposits maturing within three years from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Lender or any commercial bank which has a combined capital and surplus and undivided profits of not less than \$100,000,000;

(d) repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of three years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth or territory, political subdivision, taxing authority or foreign government (as the case may be) are rated, at such date of acquisition, at least A- by S&P or A3 by Moody’s;

(f) securities with maturities of three years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (c) of this definition;

(g) shares of money market funds that (i) comply with the criteria set forth in (a) Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended or (b) Securities and Exchange Commission Rule 3c-7 under the Investment Company Act of 1940, as amended and (ii) have portfolio assets of at least (x) in the case of funds that invest exclusively in assets satisfying the requirements of clause (a) of this definition, \$250,000,000 and (y) in all other cases, \$500,000,000;

(h) in the case of investments by any Foreign Subsidiary, obligations of a credit quality and maturity comparable to that of the items referred to in clauses (a) through (g) above that are available in local markets; and

(i) corporate debt obligations with a Moody’s rating of at least A3 or an S&P rating of at least A-, or their equivalent, as follows:

(i) corporate notes and bonds; and

(ii) medium term notes.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, but not including any Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” (as defined in Section 3(5) of ERISA).

“Plan Asset Regulations” means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent in its reasonable discretion) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent in its reasonable discretion). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Priority Indebtedness” means (a) Indebtedness of the Parent Borrower or any Subsidiary (other than that described in Section 6.01(e)) secured by any Lien on any asset(s) of the Parent Borrower or any Subsidiary and (b) Indebtedness of any Subsidiary which is not a Guarantor, in each case owing to a Person other than the Parent Borrower or any Subsidiary.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 10.17.

“Qualified Keepwell Provider” means, in respect of any Swap Obligation, each Loan Party (other than any Loan Party that is a Foreign Subsidiary of the Parent Borrower) that, at all times during the Swap Guarantee Eligibility Period, has total assets exceeding \$10,000,000 or otherwise constitutes an Eligible Contract Participant and can cause another person to qualify as an Eligible Contract Participant with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Ratings-Based Pricing Toggle Date” means the earlier to occur of (x) the date upon which the Administrative Agent receives (i) the financial statements for the Fiscal Quarter ending September 30, 2021 required to be delivered pursuant to Section 5.01(b) and (ii) the corresponding certificate of a Financial Officer of the Parent Borrower certifying compliance with Section 6.07 required to be delivered pursuant to Section 5.01(c) and (y) the Specified Period Termination Date.

“Register” has the meaning set forth in Section 10.04(b)(iv).

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Line of Business” means: (a) any line of business in which the Parent Borrower or any of its Subsidiaries is engaged as of, or immediately prior to, the Effective Date, (b) any wholesale, retail or other distribution of products or services under any domestic or foreign patent, trademark, service mark, trade name, copyright or license or (c) any similar, ancillary or related business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Reportable Event” means any “reportable event,” as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan, other than those events as to which notice is waived pursuant to DOL Regulation Section 4043 as in effect on the date hereof (no matter how such notice requirement may be changed in the future).

“Required Lenders” means, subject to Section 2.19(b), at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Requirement of Law” means, as to any Person, the Articles or Certificate of Incorporation and By-Laws, Articles or Certificate of Formation and Operating Agreement, or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Parent Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation

or termination of any such Equity Interests in the Parent Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Parent Borrower or any Subsidiary.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the Dollar Equivalent of the sum of the outstanding principal amount of such Lender’s Revolving Loans and its LC Exposure at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.03.

“S&P” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any government that is itself the subject or target of Sanctions or (d) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a), (b) or (c), or (e) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“Specified Cash Management Agreement” means any agreement providing for treasury, depository, purchasing card, credit card or cash management services, including in connection with any automated clearing house transfers of funds or any similar transactions between the Parent Borrower or any of the Subsidiary Borrowers and any Lender or affiliate thereof.

“Specified Period” means the period commencing on the First Amendment Effective Date through (but not including) the Specified Period Termination Date.

“Specified Period Termination Certificate” means an irrevocable certificate of a Financial Officer the Parent Borrower (similar in form to a certificate delivered pursuant to Section 5.01(c)) (i) stating that such certificate is a Specified Period Termination Certificate and (ii) certifying that the Parent Borrower was in compliance with a Consolidated Leverage Ratio no greater than 4.25 to 1.00 as of the last day of the two most recent Fiscal Quarters ending prior to the date of such Specified Period Termination Certificate.

“Specified Period Termination Date”: the earlier of (x) the date of delivery of the (i) the financial statements for the Fiscal Quarter ending June 30, 2022 required to be delivered pursuant to Section 5.01(b) and (ii) the corresponding certificate of a Financial Officer of the Parent Borrower certifying compliance with Section 6.07 required to be delivered pursuant to Section 5.01(c) and (y) the date on which the Parent Borrower delivers to the Administrative Agent a Specified Period Termination Certificate; provided that the Parent Borrower may only deliver a Specified Period Termination Certificate concurrently with the delivery of financial statements pursuant to Section 5.01(a) or 5.01(b); provided, further, that the Borrower may only deliver a Specified Period Termination Certificate once, on which date the Specified Period will terminate permanently for all purposes of this Agreement and the other Loan Documents.

“Specified Swap Agreement” means any Swap Agreement in respect of interest rates, currency exchange rates or commodity prices entered into by the Parent Borrower or any of the Subsidiary Borrowers and any Person that is a Lender or an affiliate of a Lender at the time such Swap Agreement is entered into.

“Standby Letter of Credit” means an irrevocable letter of credit pursuant to which an Issuing Bank agrees to make payments in dollars or an Alternative Currency for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and any of its Subsidiaries in respect of obligations of the Parent Borrower or any of its Subsidiaries incurred pursuant to contracts made or performances undertaken or to be undertaken or like matters relating to contracts to which the Parent Borrower or any of its Subsidiaries is or proposes to become a party in the ordinary course of the Parent Borrower’s or any of its Subsidiaries’ business, including, but not limited to, for insurance purposes and in connection with lease transactions.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding (currently referred to as “Eurocurrency liabilities” in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, directly or indirectly, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, directly or indirectly, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Parent Borrower.

“Subsidiary Borrower” means, as applicable, RL Finance B.V., a private company with limited liability organized under the laws of the Netherlands, Ralph Lauren Europe Sàrl (*société à responsabilité limitée*), a limited liability company organized under the laws of Switzerland, or Ralph Lauren Asia Pacific Limited, a limited liability company organized under the laws of Hong Kong.

“Subsidiary Obligations” means the unpaid principal of and interest on the Loans made to and reimbursement obligations of each Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to and reimbursement obligations of such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Subsidiary Borrowers to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, the Letters of Credit, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise; provided, that for purposes of determining the obligations of any Guarantor under this Agreement and the Guarantee Agreement, the definition of “Subsidiary Obligations” shall not create any guarantee by any Guarantor of any Excluded Swap Obligations of such Guarantor.

“Supported QFC” has the meaning set forth in Section 10.17.

“Swap” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option, cap or collar agreements or similar agreement involving, or settled by reference to, one or more interest or exchange rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Guarantee Eligibility Period” means, with respect to a Guarantor and the relevant Swap Obligation, the period from and including the date on which the relevant guarantee (or grant of the relevant security interest, as applicable) became effective with respect to such Swap Obligation until the date on which such guarantee (or grant of the relevant security interest, as applicable) is no longer in effect. For the avoidance of doubt, the Swap Guarantee Eligibility Period shall commence on the date of the execution of a Swap if the corresponding guarantee (or grant of security interest) is then in effect, and otherwise it shall commence on the date of execution and

delivery of the relevant guarantee (or grant of security interest) unless the guarantee (or relevant collateral agreement or pledge documentation, as applicable) specifies a subsequent effective date.

“Swap Obligation” means, with respect to any Person, any obligation to pay or perform under any Swap.

“Swiss 10-Non-Bank Rule” means the rule that the aggregate number of creditors (within the meaning of the Swiss Guidelines) (including the Lenders) of a Swiss Borrower under this Agreement that are not Swiss Qualifying Banks must not at any time exceed 10, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss 20-Non-Bank Rule” means the rule that (without duplication) the aggregate number of lenders (including the Lenders), other than Swiss Qualifying Banks, of a Swiss Borrower under all its outstanding debt relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement), facilities and/or private placements) must not at any time exceed 20, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss Borrower” means, for purposes of Swiss Withholding Tax, a Borrower that is organized under the laws of Switzerland or which is treated as resident in Switzerland for Swiss Withholding Tax purposes.

“Swiss Guidelines” means all relevant guidelines or explanatory notes issued by the Swiss Federal Tax Administration as amended, replaced or newly issued from time to time, including the established practice of the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

“Swiss Loan Party” means a Swiss Borrower and each Loan Party that is organized under the laws of Switzerland (each, a “Swiss Loan Party”).

“Swiss Non-Bank Rules” means the Swiss 10-Non-Bank Rule and the Swiss 20-Non-Bank Rule.

“Swiss Permitted Non-Qualifying Banks” means, in aggregate, up to 10 Lenders which are not, in each case, a Swiss Qualifying Bank; and “Swiss Permitted Non-Qualifying Bank” means one of them.

“Swiss Qualifying Bank” means (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*) as amended from time to time; and (b) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal business purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case in accordance with the Swiss Guidelines.

“Swiss Withholding Tax” means the tax imposed based on the Swiss Federal Act on Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21*), as amended from time to time together with the related ordinances, regulations and guidelines.

“Switzerland” means the Swiss Confederation.

“Syndication Agent” means Bank of America, N.A., in its capacity as syndication agent, and its successors in such capacity.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including interest, additions to tax or penalties applicable thereto.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement and by the Guarantors of the Guarantee Agreement, the borrowing of Loans, the use of the proceeds thereof and the issuance of Letters of Credit hereunder.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unrestricted Cash” means, with respect to any Person, the cash and Permitted Investments of such Person on a consolidated basis that are not treated as restricted under GAAP.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regimes” has the meaning set forth in Section 10.17.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.15(f).

“Voting Stock” means stock of any class or classes (however designated), or other Equity Interests, of any Person, the holders of which are at the time entitled, as such holders, to vote for the election of the directors or other governing body of the Person involved, whether or not the right so to vote exists by reason of the happening of a contingency.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule , and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“Yen” means the lawful currency of Japan.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurocurrency Loan”) or currency (e.g., an “Alternative Currency Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurocurrency Borrowing”) or currency (e.g., an “Alternative Currency Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended,

modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, notwithstanding anything to the contrary herein, all accounting or financial terms used herein shall be construed, and all financial computations pursuant hereto shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard or the corresponding Accounting Standards Codification Topic, as applicable, having a similar effect); provided, further that, if the Parent Borrower notifies the Administrative Agent that the Parent Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Parent Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Without limiting the foregoing, and for the avoidance of doubt, if such a notice is given regarding a change in GAAP after such change is adopted but prior to its becoming effective, then the Parent Borrower and the Administrative Agent shall, acting reasonably and in good faith, negotiate an amendment to the provisions of this Agreement affected by such change in GAAP to preserve the original intent of such provisions in light of such change (subject to the approval of the Required Lenders), which amendment shall take effect when such change in GAAP becomes effective.

SECTION 1.05. Exchange Rates. (a) For purposes of calculating the Dollar Equivalent of the principal amount of any Loan denominated in an Alternative Currency, the Alternative Currency LC Exposure at any time and the Dollar Equivalent at the time of issuance of any Alternative Currency Letter of Credit then requested to be issued pursuant to Section 2.04(b), the Administrative Agent shall determine the Exchange Rate as of the applicable Exchange Rate Date with respect to each Alternative Currency in which any requested or outstanding Loan or Alternative Currency Letter of Credit is denominated and shall apply such Exchange Rate to determine such amount (in each case after giving effect to any Loan to be made or repaid or Letter of Credit to be issued or to expire or terminate on or prior to the applicable date for such calculation).

(b) For purposes of (i) determining the amount of Indebtedness incurred, outstanding or proposed to be incurred or outstanding under Section 6.01 (but excluding, for the avoidance of doubt, any calculation of Consolidated Net Worth or Consolidated EBITDAR), (ii) determining the amount of obligations secured by Liens incurred, outstanding or proposed to be incurred or outstanding under Section 6.02, or (iii) determining the amount of Material Indebtedness, the net assets of a Person or judgments outstanding under paragraphs (f), (g), (h), (i), (j) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than dollars shall be translated into dollars at the Exchange Rate on the applicable date, *provided* that no Default shall arise as a result of any limitation set forth in dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in Exchange Rates from those rates applicable

at the time or times Indebtedness or obligations secured by Liens were initially consummated or acquired in reliance on the exceptions under such Sections.

SECTION 1.06. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.07. Lenders' Status. Each Lender hereunder confirms as of the date hereof that it is a Swiss Qualifying Bank or counts as (only) one Swiss Permitted Non-Qualifying Bank. Each Lender which becomes a party to this Agreement after the date of this Agreement shall indicate, in the Assignment and Assumption or the New Lender Supplement whether it is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank. If a Lender does not declare its status as a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank or declares its status in that regard to be unknown, such Lender shall be treated as a Lender which is not a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank.

ARTICLE II

The Credits

SECTION 2.01. Commitments. (a) Subject to the terms and conditions set forth herein, each Lender severally agrees to make Loans in dollars or an Alternative Currency to the Borrowers from time to time during the Availability Period in an aggregate principal amount that will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans. The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

(b) The Parent Borrower and any one or more Lenders (including New Lenders) may from time to time after the Effective Date agree that such Lender or Lenders shall establish a new Commitment or Commitments or increase the amount of its or their Commitment or Commitments by executing and delivering to the Administrative Agent, in the case of each New Lender, a New Lender Supplement meeting the requirements of Section 2.01(c) or, in the case of each Lender which is not a New Lender, a Commitment Increase Supplement meeting the requirements of Section 2.01(d). Notwithstanding the foregoing, without the consent of the Required Lenders, (x) the aggregate amount of incremental Commitments established or increased after the Effective Date pursuant to this paragraph shall not exceed \$500,000,000, (y) unless otherwise agreed to by the Administrative Agent, each increase in the aggregate Commitments effected pursuant to this paragraph shall be in a minimum aggregate amount of at least \$15,000,000 and (z) unless otherwise agreed by the Administrative Agent, increases in Commitments may be effected on no more than three occasions pursuant to this paragraph. No Lender shall have any obligation to participate in any increase described in this paragraph unless it agrees to do so in its sole discretion.

(c) Any additional bank, financial institution or other entity which, with the consent of the Parent Borrower and the Administrative Agent (which consent of the Administrative Agent shall not be unreasonably withheld), elects to become a "Lender" under this Agreement in connection with any transaction described in Section 2.01(b) shall execute a New Lender Supplement (each, a "New Lender Supplement"), substantially in the form of Exhibit D-1, whereupon such bank, financial institution or other entity (a "New Lender") shall become a Lender, with a Commitment in the amount set forth therein that is effective on the date specified therein, for all purposes and to the same extent as if originally a party hereto and shall be bound by and entitled to the benefits of this Agreement.

(d) Any Lender, which, with the consent of the Parent Borrower and the Administrative Agent, elects to increase its Commitment under this Agreement shall execute and deliver to the Parent Borrower and the Administrative Agent a Commitment Increase Supplement specifying (i) the amount of such Commitment increase, (ii) the amount of such Lender's total Commitment after giving effect to such Commitment increase, and (iii) the date upon which such Commitment increase shall become effective.

(e) Unless otherwise agreed by the Administrative Agent, on each date upon which the Commitments shall be increased pursuant to this Section, each Borrower shall prepay all then outstanding Loans made to it, which prepayment shall be accompanied by payment of all accrued interest on the amount prepaid and any amounts payable pursuant to Section 2.14 in connection therewith, and, to the extent it determines to do so, reborrow Loans from all the Lenders (after giving effect to the new and/or increased Commitments becoming effective on such date). Any prepayment and reborrowing pursuant to the preceding sentence shall be effected, to the maximum extent practicable, through the netting of amounts payable between each applicable Borrower and the respective Lenders.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Parent Borrower may request on its own behalf or on behalf of any other Borrower in accordance herewith. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement; and provided, further, that no such option may be exercised by any Lender if, immediately after giving effect thereto, amounts would become payable by a Loan Party under Section 2.13 or 2.15 that are in excess of those that would be payable under such Section if such option were not exercised.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is (i) in the case of a Eurocurrency Borrowing denominated in dollars, an integral multiple of \$500,000 and not less than \$5,000,000

and (ii) in the case of an Alternative Currency Borrowing, the Dollar Equivalent of an integral multiple of \$500,000 and not less than the Dollar Equivalent of \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$500,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.04(e). Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each Lender may, at its option, make any Loan available to any Subsidiary Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not increase the costs to such Subsidiary Borrower with respect to such Loan or affect the obligation of such Subsidiary Borrower to repay such Loan in accordance with the terms of this Agreement.

SECTION 2.03. Requests for Borrowings. To request a Loan, the Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent of such request by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Parent Borrower (a) in the case of a Eurocurrency Borrowing denominated in dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of a Eurocurrency Borrowing denominated in an Alternative Currency, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing, or (c) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

- (i) the Borrower of the requested Borrowing;
- (ii) the aggregate amount of such Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;

(v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term “Interest Period”;

(vi) in the case of a Eurocurrency Borrowing, the currency in which such Borrowing is to be denominated;
and

(vii) the location and number of the applicable Borrower’s account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing (i) if such Borrowing is to be denominated in dollars, shall be an ABR Borrowing and (ii) if such Borrowing is to be denominated in an Alternative Currency, shall be a Eurocurrency Borrowing. If no election as to the currency of the requested Borrowing is specified, then the requested Borrowing shall be denominated in dollars. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Parent Borrower shall be deemed to have selected an Interest Period of one month’s duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender’s Loan to be made as part of the requested Borrowing.

SECTION 2.04. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Parent Borrower may request the issuance of Letters of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit) in the form of Commercial Letters of Credit or Standby Letters of Credit. Each Letter of Credit shall be issued for the account of the Parent Borrower or jointly and severally for the account of the Parent Borrower and a Subsidiary (other than Ralph Lauren Europe Sàrl), in a form reasonably acceptable to the applicable Issuing Bank (*provided* that each Letter of Credit shall provide for payment against sight drafts drawn thereunder), at any time and from time to time during the Availability Period. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Parent Borrower (or the Parent Borrower and a Subsidiary) to, or entered into by the Parent Borrower (or the Parent Borrower and a Subsidiary) with, the applicable Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. The letters of credit identified on Schedule 2.04 shall be deemed to be “Letters of Credit” issued on the Effective Date for all purposes of the Loan Documents. No Issuing Bank shall at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Bank or any Lender to exceed any limits imposed by, any applicable Requirement of Law. Notwithstanding anything herein to the contrary, no Issuing Bank shall have any obligation hereunder to issue, or shall issue, any Letter of Credit the proceeds of which would be made available to any Person (i) to fund any activity or business of or with any Sanctioned Person, or in any country or territory that, at the time of such funding, is the subject of any Sanctions or (ii) in any manner that would result in a violation of any Sanctions by any party to this Agreement.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Parent Borrower shall hand deliver, telecopy or (pursuant to procedures approved by the applicable Issuing Bank) electronically transmit to the applicable Issuing

Bank and, in the case of a Commercial Letter of Credit if the Administrative Agent shall have so requested and in the case of all Standby Letters of Credit, the Administrative Agent (in the case of (i) Letters of Credit denominated in dollars, reasonably in advance of the requested date of issuance, amendment, renewal or extension, (ii) Letters of Credit denominated in Euros, prior to 12:00 noon, New York City time, three Business Days in advance of the requested date of issuance, amendment, renewal or extension and (iii) Letters of Credit denominated in any Alternative Currencies other than Euros, prior to 12:00 noon, New York City time, four Business Days in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension, the currency in which such Letter of Credit is to be denominated (which shall be dollars or, subject to Section 2.18, an Alternative Currency), the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit, *provided* that in no event shall any Issuing Bank other than JPMorgan Chase Bank, N.A. or one or more other Issuing Banks designated from time to time by the Parent Borrower and reasonably acceptable to the Administrative Agent issue any Alternative Currency Letter of Credit hereunder. If requested by the applicable Issuing Bank, the Parent Borrower (or the Parent Borrower and a Subsidiary) also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the applicable Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Dollar Equivalent of the LC Exposure with respect to Letters of Credit shall not exceed \$50,000,000 and (ii) the total Revolving Credit Exposures shall not exceed the total Commitments. Subsequent to the receipt by any Issuing Bank of a Notification Instruction (as defined below) from the Administrative Agent which shall not have been withdrawn, such Issuing Bank will contact the Administrative Agent prior to the issuance or increase in any Letter of Credit to determine whether or not such issuance or increase would result in any of the limitations set forth in the preceding sentence being exceeded. For purposes of this Section 2.04(b), a "Notification Instruction" shall mean any instruction from the Administrative Agent requiring that an Issuing Bank make the calculations described in the preceding sentence, which instruction the Administrative Agent (i) may deliver at any time when it determines that the percentage which the aggregate Revolving Credit Exposures constitutes of the aggregate Commitments then in effect is greater than 80% and (ii) will withdraw when it determines that such percentage is equal to or less than 80%. For purposes of the third preceding sentence the amount of any Alternative Currency Letter of Credit shall be the Dollar Equivalent thereof calculated on the basis of the applicable Exchange Rate determined in accordance with Section 1.05.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date; provided that any Letter of Credit may provide for the renewal thereof for additional periods not exceeding one year each pursuant to customary "evergreen" provisions (which shall in no event extend beyond the date referred to in clause (ii)).

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Applicable Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Administrative Agent in dollars, for the account of such Issuing Bank, such Lender's Applicable Percentage of (i) each LC Disbursement made by such Issuing Bank in dollars and (ii) the Dollar Equivalent, using the Exchange Rate at the time such payment is made, of each LC Disbursement made by such Issuing Bank in an Alternative Currency and, in each case, not reimbursed by the Parent Borrower (or a Subsidiary) on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Parent Borrower (or a Subsidiary) for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit, the occurrence and continuance of a Default or failure to satisfy any of the conditions set forth in Article IV, the reduction or termination of the Commitments, any setoff, counterclaim, recoupment, defense or other right that such Lender may have against the Issuing Bank, any Borrower or any other Person for any reason whatsoever, any adverse change in the condition (financial or otherwise) of any Borrower, any breach of this Agreement or any other Loan Document by the Borrower or any other Loan Party or any other Lender or any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If any Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to such Letter of Credit) shall reimburse such LC Disbursement by paying to such Issuing Bank an amount equal to such LC Disbursement in dollars, on the date that such LC Disbursement is made (or, if such date is not a Business Day, on or before the next Business Day); provided that, if such LC Disbursement is made under an Alternative Currency Letter of Credit, automatically and with no further action required, the Parent Borrower's (or such Subsidiary's) obligation to reimburse the applicable LC Disbursement shall be permanently converted into an obligation to reimburse the Dollar Equivalent, calculated using the Exchange Rate at the time such payment is made, of such LC Disbursement, and *provided, further*, that, in the case of any such reimbursement obligation which is in an amount of not less than \$500,000, the Parent Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed in dollars with an ABR Borrowing in an equivalent amount and, to the extent so financed, the Parent Borrower's (and such Subsidiary's) obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Parent Borrower (or such Subsidiary) fails to make when due any reimbursement payment required pursuant to this paragraph, the applicable Issuing Bank shall immediately notify the Administrative Agent, which shall promptly notify each Lender of the applicable LC Disbursement, the Dollar Equivalent thereof calculated in accordance with the preceding sentence (if such LC Disbursement relates to an Alternative Currency Letter of Credit), the reimbursement payment then due from the Parent Borrower (or such Subsidiary) in respect thereof and such Lender's Applicable Percentage

thereof. Promptly following receipt of such notice, each Lender (other than such Issuing Bank) shall pay to the Administrative Agent in dollars its Applicable Percentage of the reimbursement payment then due from the Parent Borrower (or such Subsidiary), in the same manner as provided in Section 2.05 with respect to Loans made by such Lender (and Section 2.05 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Administrative Agent shall promptly pay to such Issuing Bank in dollars the amounts so received by it from the Lenders. Promptly following receipt by the Administrative Agent of any payment from the Parent Borrower (or such Subsidiary) pursuant to this paragraph, the Administrative Agent shall distribute such payment to the applicable Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Parent Borrower (and such Subsidiary) of its obligation to reimburse such LC Disbursement.

(f) Letter of Credit Fees.

(i) Commercial Letter of Credit Fee. The Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank and the Lenders, a Commercial Letter of Credit fee calculated at the rate per annum equal to the Applicable Rate applicable to Commercial Letters of Credit from time to time in effect on the aggregate average daily amount available to be drawn (calculated, in the case of any Alternative Currency Letter of Credit, on the basis of the Dollar Equivalent thereof using the applicable Exchange Rate in effect on the date payment of such fee is due) under each Commercial Letter of Credit issued hereunder. Commercial Letter of Credit Fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifth Business Day following such last day, commencing on the first such date to occur after the date hereof. The Administrative Agent will promptly pay to the Issuing Banks and the Lenders their pro rata shares of any amounts received from the Parent Borrower (or such Subsidiary) in respect of any such fees. Commercial Letter of Credit fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(ii) Standby Letter of Credit Fees. The Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) agrees to pay to the Administrative Agent, for the account of the applicable Issuing Bank and the Lenders, a Standby Letter of Credit fee calculated at the rate per annum equal to the Applicable Rate applicable to Eurocurrency Loans from time to time in effect on the aggregate average daily amount available to be drawn (calculated, in the case of any Alternative Currency Letter of Credit, on the basis of the Dollar Equivalent thereof using the applicable Exchange Rate in effect on the date payment of such fee is due) under each Standby Letter of Credit issued hereunder (and in no event less than \$500 with respect to each such Standby Letter of Credit). Standby Letter of Credit Fees accrued through and including the last day of March, June, September and December of each year shall be payable in arrears on the fifth Business Day following such last day, commencing on the first such date to occur after the

date hereof. The Administrative Agent will promptly pay to the Issuing Banks and the Lenders their pro rata shares of any amounts received from the Parent Borrower (or such Subsidiary) in respect of any such fees. Standby Letter of Credit fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(g) Obligations Absolute. The obligation of the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit, any application for the issuance of a Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the applicable Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Parent Borrower's (or such Subsidiary's) obligations hereunder. Neither the Administrative Agent, the Lenders nor any Issuing Bank, nor any of their Related Parties, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank. Notwithstanding the foregoing, nothing in this Section 2.04(g) shall be construed to excuse such Issuing Bank, the Lenders or the Administrative Agent from liability to the Parent Borrower (or such Subsidiary) to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Parent Borrower (and such Subsidiary) to the extent permitted by applicable law) suffered by the Parent Borrower (or such Subsidiary) that are caused by (x) such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof or (y) the gross negligence, bad faith or willful misconduct of such Issuing Bank, the Lenders or the Administrative Agent as found by a final, non-appealable judgment of a court of competent jurisdiction. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), such Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(h) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Administrative Agent and the Parent Borrower (and the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question, if applicable) in writing (by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(i) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Parent Borrower (or the Subsidiary that is jointly and severally liable with respect to the Letter of Credit in question) shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, including by financing such payment obligation with an ABR Loan in accordance with paragraph (e) of this Section (or, if such date is not a Business Day, on or prior to the next Business Day), the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Parent Borrower (or such Subsidiary) reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans; provided that, if the Parent Borrower (or such Subsidiary) fails to reimburse such LC Disbursement when due (including by financing such payment obligation with an ABR Loan) pursuant to paragraph (e) of this Section, then Section 2.11(d) shall apply; and *provided, further*, that, in the case of an LC Disbursement made under an Alternative Currency Letter of Credit, the amount of interest due with respect thereto shall accrue on the Dollar Equivalent, calculated using the Exchange Rate at the time such LC Disbursement was made, of such LC Disbursement. Interest accrued pursuant to this paragraph shall be for the account of the applicable Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(j) Replacement and Resignation of any Issuing Bank. Any Issuing Bank may be replaced at any time by written agreement among the Parent Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Lenders of any such replacement of such Issuing Bank. At the time any such replacement shall become effective, the Parent Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.04(f) and 2.10(b). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of such Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to include a reference to such successor or to any previous Issuing Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit or extend or otherwise amend an existing Letter of Credit. Subject to the appointment and acceptance of a successor Issuing Bank, any Issuing Bank may resign as an Issuing Bank at any time upon 30 days' prior written

notice to the Administrative Agent, the Borrower and the Lenders, in which case, such resigning Issuing Bank shall be replaced in accordance with this Section.

(k) Cash Collateralization. If any Event of Default shall occur and be continuing, on the Business Day that the Parent Borrower receives notice from the Administrative Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposure representing greater than 50% of the then total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Parent Borrower shall deposit in an account with the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Lenders, an amount in dollars and in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that (i) the portions of such amount attributable to undrawn Alternative Currency Letters of Credit shall be deposited in the applicable Alternative Currencies in the actual amounts of such undrawn Letters of Credit and (ii) the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Parent Borrower described in paragraph (h) or (i) of Article VII. Each deposit pursuant to this paragraph shall be held by the Administrative Agent as collateral for the payment and performance of the obligations of the Parent Borrower (and any Subsidiary for whose account a Letter of Credit has been issued) under this Agreement. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Parent Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Banks for LC Disbursements for which they have not been reimbursed (to be applied ratably among them according to the respective aggregate amounts of the then unreimbursed LC Disbursements) and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Parent Borrower (and each such Subsidiary) for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposure representing greater than 50% of the then total LC Exposure), be applied to satisfy other obligations of the Parent Borrower (and each such Subsidiary) under this Agreement. If the Parent Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default or, in accordance with Section 2.09(c), the total Revolving Credit Exposure exceeding 105% of the total Commitments, such amount (to the extent not applied as aforesaid) shall be returned to the Parent Borrower within three Business Days after all Events of Default have been cured or waived or, as the case may be, the total Revolving Credit Exposure not exceeding the total Commitments.

(l) Additional Issuing Banks. The Parent Borrower may, at any time and from time to time with the consent of the Administrative Agent (which consent shall not be unreasonably withheld) and such Lender, designate one or more additional Lenders to act as an issuing bank under the terms of this Agreement, provided that the total number of Issuing Banks at any time shall not exceed four. Any Lender designated as Issuing Bank pursuant to this paragraph (l) shall be deemed to be an "Issuing Bank" for the purposes of this Agreement (in addition to being a Lender) with respect to Letters of Credit issued by such Lender.

(m) **Reporting.** Unless the Administrative Agent otherwise agrees, each Issuing Bank will report in writing to the Administrative Agent, with a copy to the Parent Borrower, (i) on the first Business Day of each week and on the second Business Day to occur after the last day of each March, June, September and December, and on such other dates as the Administrative Agent may reasonably request, the daily activity during the preceding week, calendar quarter or other period, as the case may be, with respect to Letters of Credit issued by it, including the aggregate outstanding LC Exposure with respect to such Letters of Credit on each day during such week, quarter or other period, in such form and detail as shall be satisfactory to the Administrative Agent, (ii) on any Business Day on which the Parent Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and the amount of such LC Disbursement and (iii) such other information with respect to Letters of Credit issued by such Issuing Bank as the Administrative Agent may reasonably request.

SECTION 2.05. **Funding of Borrowings.** (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that if an ABR Borrowing is requested for disbursement on the same day after 11:00 a.m., New York time, then each Lender shall make the Loan to be made by it hereunder in such manner by 3:00 p.m., New York City time. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of the applicable Borrower maintained with the Administrative Agent and designated by the Parent Borrower in the applicable Borrowing Request; provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.04(e) shall be remitted by the Administrative Agent to the applicable Issuing Bank.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available at such time in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If such Lender's share of such Borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the date such amount is made available to the applicable Borrower, the Administrative Agent shall promptly notify the Parent Borrower and any other applicable Borrower of such failure and shall also be entitled to recover such amount from the applicable Borrower, on demand, with interest thereon at the rate per annum applicable to ABR Loans hereunder accruing from the date of such Borrowing. If the Parent Borrower or the applicable Borrower shall pay to

the Administrative Agent such corresponding amount, the Parent Borrower and such applicable Borrower shall have no further obligations to such Lender with respect to such amount.

SECTION 2.06. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Parent Borrower (on its own behalf or on behalf of any other Borrower) may elect to convert such Borrowing (i) in the case of a Eurocurrency Borrowing denominated in dollars, to an ABR Borrowing; or (ii) in the case of an ABR Borrowing, to a Eurocurrency Borrowing denominated in dollars or to continue such Borrowing in the same currency and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Parent Borrower (on behalf of itself or any other Borrower) may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Parent Borrower (on its own behalf or on behalf of another Borrower) shall notify the Administrative Agent of such election by hand delivery, telecopy or electronic transmission (pursuant to procedures approved by the Administrative Agent) to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Parent Borrower by the time that a Borrowing Request would be required under Section 2.03 if the Parent Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term “Interest Period”.

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Parent Borrower (on its own behalf or on behalf of another Borrower) shall be deemed to have selected an Interest Period of one month’s duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender’s portion of each resulting Borrowing.

(e) If the Parent Borrower (on its own behalf or on behalf of another Borrower) fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing (i) if denominated in dollars, shall be converted to an ABR Borrowing and (ii) if denominated in an Alternative Currency, shall be converted to a one month Interest Period denominated in the same currency as the Eurocurrency Borrowing being continued. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Parent Borrower, then, so long as such Event of Default is continuing (i) no outstanding Borrowing denominated in dollars may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

(f) By entering into this Agreement, the parties hereto have assumed in good faith that the interest payable at the rates specified in this Agreement is not and will not be subject to any Tax deduction on account of Swiss Withholding Tax. Nevertheless, if a Tax deduction on account of Swiss Withholding Tax is required by Swiss law to be made by a Swiss Borrower in respect of any interest payable by it under a Loan Document and should it be unlawful for a Swiss Borrower to comply with Section 2.15 for any reason, and if the gross-up in accordance with Section 2.15 is effectively not paid: (i) the applicable interest rate in relation to that interest payment shall be (A) the interest rate which would have applied to that interest payment in the absence of this Section 2.06(f), *divided* by (B) one *minus* the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made (where the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made is for this purpose expressed as a fraction of one rather than as a percentage); (ii) (A) a Swiss Borrower shall be obliged to pay the relevant interest at the adjusted rate as set forth in this Section 2.06(f), and (B) a Swiss Borrower shall make the deduction on account of Swiss Withholding Tax (within the time allowed and in the minimum amount required by law) on the interest so recalculated; and (iii) all references to a rate of interest under a Loan Document applicable to a Swiss Borrower shall be construed accordingly. To the extent that interest payable by a Swiss Borrower under this Agreement becomes subject to a deduction of Swiss Withholding Tax, each relevant Lender and the Swiss Borrower shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary for the Swiss Borrower to obtain authorization to make interest payments without them being subject to such deduction of Swiss Withholding Tax or to reduce the applicable withholding tax rate. If a Swiss

Borrower pays the interest recalculated under this Section 2.06(f), the Swiss Borrower shall cooperate with each relevant Lender to enable that Lender to receive a full or partial refund of the Swiss Withholding Tax under an applicable double taxation treaty. In the event Swiss Withholding Tax is refunded to a Lender by the Swiss Federal Tax Administration, the relevant Lender shall immediately forward such amount to the Swiss Borrower. This Section 2.06(f) shall not apply and no interest shall be recalculated pursuant to this Section 2.06(f) if a deduction of Swiss Withholding Tax is due as a result of any non-compliance by a Lender with the provisions of Section 10.04 or the Lender (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement. Notwithstanding anything to the contrary herein, for the avoidance of doubt, (i) a Lender who is not treated as not being a Swiss Qualifying Bank shall not be under any obligation to change its status into a Swiss Qualifying Bank, (ii) the documentation which a Lender executes on becoming a party hereto shall not be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04 or Section 1.07 and (iii) none of the Loan Documents shall be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04(b)(i)(A) or Section 1.07 or indicates its status as a Swiss Qualifying Bank or Swiss Permitted Non-Qualifying Bank as unknown.

SECTION 2.07. Termination and Reduction of Commitments. (a) Unless previously terminated in accordance with this Agreement, the Commitments shall terminate on the Maturity Date.

(b) The Parent Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000, or, if less than \$1,000,000, the remaining amount of the total Commitments, and (ii) the Parent Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of the Loans in accordance with Section 2.09, the total Revolving Credit Exposures would exceed the total Commitments.

(c) The Parent Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least two Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Parent Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Parent Borrower may state that such notice is conditioned upon another event, such as the effectiveness of other credit facilities, in which case such notice may be revoked by the Parent Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan made to such Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender to such Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain a Register pursuant to Section 10.04(b)(iv) and an account for each Lender in which it shall record (i) the amount of each Loan made hereunder, the Type and currency thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts and Register maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay voluntarily any Borrowing made to such Borrower in whole or in part without premium or penalty, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent in writing (by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission) of any voluntary prepayment hereunder prior to (i) in the case of ABR Loans, 11:00 a.m., New York City time, on such date of prepayment, (ii) in the case of Eurocurrency Loans denominated in dollars, 12:00 noon, New York City time, on the Business Day immediately preceding such date of prepayment, (iii) in the case of Eurocurrency Loans denominated in Euros, 12:00 noon, New York City time, three Business Days prior to such date of prepayment and (iv) in the case of Eurocurrency Loans denominated in any Alternative Currencies other than Euros, 12:00 noon, New York City time, four Business Days prior to such date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid

and whether the prepayment is of Eurocurrency Loans, ABR Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each; provided that, if a notice of voluntary prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice the Administrative Agent shall advise the Lenders of the contents thereof. Each partial voluntary prepayment of any Borrowing shall be in an aggregate principal amount of \$500,000 or a multiple of \$100,000 in excess thereof (or the Dollar Equivalent thereof). Each voluntary prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing.

(c) If on any Exchange Rate Date the Administrative Agent determines that the total Revolving Credit Exposure exceeds 105% of the total Commitments, the Borrowers shall within three Business Days after such date, prepay Loans and/or deposit cash collateral in an account with the Administrative Agent established and maintained in accordance with Section 2.04(k) in an aggregate amount such that, after deducting therefrom the amount so prepaid and/or so deposited in such account, the total Revolving Credit Exposure does not exceed the total Commitments. The Administrative Agent shall promptly release any collateral theretofore deposited with it pursuant to this Section 2.09 to the extent that on any Exchange Rate Date the total Revolving Credit Exposure does not exceed the total Commitments.

(d) Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11 and any amounts payable pursuant to Section 2.14.

SECTION 2.10. Fees. (a) The Parent Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period from and including the Effective Date to the last day of the Availability Period, computed at the Applicable Rate on the average daily amount of the Available Commitment of such Lender during the period for which payment is made. Commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifth Business Day following such last day, commencing on October 7, 2019; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) The Parent Borrower agrees to pay to each Issuing Bank the fees agreed upon by the Parent Borrower with such Issuing Bank with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. For the avoidance of doubt, in any case where, in accordance with the second sentence of the definition of Issuing Bank, an Issuing Bank arranges for one or more Letters of Credit to be issued by an Affiliate of such Issuing Bank, the fees agreed upon by such Issuing Bank with the Parent Borrower shall be deemed to have been agreed upon by such Affiliate unless the Parent Borrower and such Affiliate otherwise agree.

(c) The Parent Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Parent Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to each Issuing Bank, in the case of fees payable to it) for distribution, in the case of commitment fees and participation fees, to the Lenders. Except as may be expressly agreed in writing between the Parent Borrower and the Administrative Agent with respect to fees to the Administrative Agent, fees paid shall not be refundable under any circumstances (other than in the case, and to the extent, of any overpayment thereof by the applicable Borrower).

SECTION 2.11. Interest; Eurocurrency Tranches. (a) The Loans comprising each ABR Borrowing shall bear interest (i) prior to the Ratings-Based Pricing Toggle Date, at the Alternate Base Rate plus the Applicable Rate and (ii) on and after the Ratings-Based Pricing Toggle Date, at the Alternate Base Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) The interest rate for Loans denominated in Alternative Currencies shall be subject to customary adjustments if and to the extent loans denominated in such Alternative Currencies are not customarily priced on a LIBO Rate basis; provided, however that such adjustments shall not apply to Loans denominated in Euros, Yen or Hong Kong Dollars.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of all of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to (i) the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate or (ii) the LIBO Rate or Interpolated Rate at times when the LIBO Rate or Interpolated Rate is based on the HKD Screen Rate shall be computed on the basis

of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that by reason of circumstances affecting the relevant market adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate (including because the LIBO Screen Rate is not available or published on a current basis), as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Parent Borrower (on its own behalf or on behalf of any other Borrower) and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Parent Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing denominated in dollars, such Borrowing shall be made as an ABR Borrowing; provided that (A) if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted and (B) if the circumstances giving rise to such notice affect only one currency, then Borrowings in other permitted currencies shall be permitted. The Administrative Agent agrees to give prompt notice to the Parent Borrower when the circumstances that gave rise to a notice under this Section 2.12 no longer exist. If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a) have not arisen but either (w) the supervisor for the administrator of the LIBO Screen Rate has made a public statement that the administrator of the LIBO Screen Rate is insolvent (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (x) the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (y) the supervisor for the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall enter into an amendment to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining

a rate of interest for syndicated loans in the United States at such time and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate); provided that, if such alternate rate of interest as so determined would be less than 0.75%, such rate shall be deemed to be 0.75% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.02, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this paragraph (but, in the case of the circumstances described in clauses (w), (x) or (y) above, only to the extent the LIBO Screen Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing denominated in dollars, such Borrowing shall be made as an ABR Borrowing. The LIBO Rate is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances, this Section provides a mechanism for determining an alternative rate of interest. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate) or any Issuing Bank;

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition affecting this Agreement or Eurocurrency Loans made by such Lender or any Letter of Credit or participation therein; or

(iii) shall subject the Administrative Agent, any Lender or the Issuing Bank to any Taxes (other than (A) Indemnified Taxes indemnified under Section 2.15, (B) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes or (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender (or in the case of (iii) to such Administrative Agent, Lender or Issuing Bank) of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make such Loan) or to increase the cost to the Administrative Agent, such Lender or such Issuing Bank of participating in, issuing or maintaining any Letter of Credit or to reduce the amount of any sum received or receivable by the Administrative Agent, such Lender or such Issuing Bank hereunder (whether of principal, interest or otherwise), then the Parent Borrower will pay to the Administrative Agent, such Lender or such Issuing Bank, as the case may be, upon demand of such Person, such additional amount or amounts as will compensate the Administrative Agent, such Lender or such Issuing Bank, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender or any Issuing Bank reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's or such Issuing Bank's capital (or on the capital of any corporation controlling such Lender or such Issuing Bank) as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit held by, such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or such controlling corporation could have achieved but for such Change in Law (taking into consideration such Lender's or such Issuing Bank's or such controlling corporation's policies with respect to capital adequacy or liquidity), then from time to time the Parent Borrower will pay to such Lender or such Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or such Issuing Bank or such controlling corporation for any such reduction suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or such Issuing Bank, as the case may be, as specified in paragraph (a), (b) or (e) of this Section, containing (i) a reasonably detailed explanation of the basis on which such amount or amounts were calculated and the Change in Law by reason of which it has become entitled to be so compensated and (ii) confirmation of the matters set forth in the last sentence of Section 2.13(d), shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. No Lender or Issuing Bank shall be entitled to the benefits of this Section 2.13 unless such Lender or Issuing Bank shall have complied with the requirements of this Section 2.13. The Parent Borrower shall pay such Lender or such Issuing Bank, as the case may be, the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender or any Issuing Bank to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or such Issuing Bank's right to demand such compensation; provided that the Parent Borrower shall not be required to compensate a Lender or an Issuing Bank pursuant to this Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender or such Issuing Bank, as the case may be, notifies the Parent Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or such Issuing Bank's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof. Notwithstanding any other provision of this Section 2.13, no Lender or Issuing Bank shall demand compensation for any increased costs or reduction referred to above in this Section if it shall not then be the general policy of such Lender to demand such compensation in similar circumstances from comparable borrowers under comparable provisions of other credit agreements, if any (it being understood, for the avoidance of doubt, that a waiver by any Lender or Issuing Bank in any given case of its right to demand such compensation from any given borrower shall not, in and of itself, be deemed to constitute a change in the general policy of such Lender).

(e) If the cost to any Lender of making or maintaining any Loan to a Subsidiary Borrower that is a Foreign Subsidiary is increased (or the amount of any sum received or receivable by any Lender or its lending office is reduced) by an amount deemed by such Lender to be material, by reason of the fact that such Subsidiary Borrower is a Foreign Subsidiary, such Subsidiary Borrower shall indemnify such Lender for such increased cost or reduction within 15 days after demand by such Lender (with a copy to the Administrative Agent), which such Lender shall make within 90 days from the day such Lender has notice of such increased cost or reduction.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan into an ABR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(b) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Parent Borrower pursuant to Section 2.17, then, in any such event, the applicable Borrower shall compensate each Lender for the loss and reasonable cost and expense attributable to such event (excluding loss of margin). In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the applicable eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section,

containing a reasonably detailed calculation of such amounts, shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof. No Lender or Issuing Bank shall be entitled to the benefits of this Section 2.14 unless such Lender or Issuing Bank shall have complied with the requirements of this Section 2.14.

SECTION 2.15. Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.15), the amounts received with respect to this agreement equal the sum which would have been received had no such deduction or withholding been made. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Each Loan Party shall indemnify the Administrative Agent, each Lender and any Issuing Bank, as promptly as possible but in any event within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent, such Lender or such Issuing Bank, as the case may be, on or with respect to any payment by or on account of any obligation of such Loan Party under any Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and including any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability, together with, to the extent available, a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to such Loan Party, delivered to such Loan Party as soon as practicable after any such payment by a Lender or any Issuing Bank, or by the Administrative Agent on its own behalf or on behalf of a Lender or any Issuing Bank, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) A payment to a Lender shall not be increased under paragraph (a) or (b) of this Section 2.15 and no indemnification is due under paragraph (c) of this Section 2.15 if on the date on which the payment falls due the payment could have been made without any deduction on account of Swiss Withholding Tax (i) had the Lender correctly declared its status as to whether it is a Swiss Qualifying Bank, (ii) had the Lender complied with the assignment, transfer or exposure

transfer restrictions pursuant to this Agreement, (iii) had the Lender not ceased to be a Swiss Qualifying Bank, or (iv) had the Swiss Non-Bank Rules not been breached as a result of an assignment or transfer of rights and obligations under this Agreement after the occurrence of an Event of Default.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax, with respect to payments made under this Agreement or any Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.15(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Lender that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of the applicable IRS Form W-8 establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, the applicable IRS Form W-8 establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of the applicable IRS Form W-8; or to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, the applicable IRS Form W-8, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if such Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) If a payment made to a Lender hereunder or under any other Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable, or those under an intergovernmental agreement entered into in connection with the implementation of Sections 1471 through 1474 of the Code), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.15(f)(ii)(D), “FATCA” shall include any amendments made to FATCA after the date of this Credit Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Each Lender shall indemnify the Administrative Agent, within 10 days after demand therefor, for the full amount of any Taxes imposed by any Governmental Authority, together with any reasonable costs and expenses arising therefrom or with respect thereto, that are attributable (i) to such Lender and that are payable or paid by the Administrative Agent and (ii) to a Lender's failure to comply with the provisions of Section 10.04(c) relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(h) If the Administrative Agent, a Lender or an Issuing Bank determines that it has received a refund which, in the good faith judgment of the Administrative Agent, such Lender or such Issuing Bank, as the case may be, is allocable to any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.15, it shall promptly pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.15 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender or such Issuing Bank and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Loan Party, upon the request of the Administrative Agent or such Lender or such Issuing Bank, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority attributable to such amount (including the reasonable out-of-pocket expenses described above of the Administrative Agent or such Lender or such Issuing Bank)) to the Administrative Agent or such Lender or such Issuing Bank in the event the Administrative Agent or such Lender or such Issuing Bank is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender or an Issuing Bank to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Loan Party or any other Person.

(i) For purposes of this Section, the term "Lender" includes any Issuing Bank and the term "applicable law" includes FATCA.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent or an Issuing Bank, as applicable, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the wire instructions of the Administrative Agent set forth in Section 9.06 (or such other address or wire instructions of the Administrative Agent that may be provided from time to time by the Administrative Agent), except payments to be made directly to an Issuing Bank as expressly

provided herein and except that payments pursuant to Sections 2.13, 2.14, 2.15 and 10.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars except (i) payments of principal of and interest on any Alternative Currency Loan shall be paid in the applicable currency and (ii) as provided in Section 2.04(k).

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest, fees, expenses and other amounts then due hereunder, such funds shall be applied (i) first, towards payment of interest, fees, expenses and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees, expenses and other amounts then due to such parties, and (ii) second, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties. Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to Excluded Swap Obligations of such Guarantor.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or participations in LC Disbursements resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and participations in LC Disbursements and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans and participations in LC Disbursements of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and participations in LC Disbursements; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements to any assignee or participant, other than to the applicable Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply), or any payment obtained pursuant to a court order. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders or an Issuing Bank hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders or such Issuing Bank, as the case may be, the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders or such Issuing Bank, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or such Issuing Bank with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(d) or (e), 2.05(b) or 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower hereby appoints the Parent Borrower to act as agent on behalf of such Subsidiary Borrower for the purpose of (i) giving any notices or requests contemplated to be given by such Subsidiary Borrower pursuant to this Agreement, including, without limitation, Borrowing Requests, prepayment notices and Interest Election Requests and (ii) paying on behalf of such Subsidiary Borrower any Subsidiary Obligations owing by such Subsidiary Borrower; provided, that each Subsidiary Borrower shall retain the right, in its discretion, to give directly any or all of such notices or requests or to make directly any or all of such payments.

(g) The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender (including any Issuing Bank) requests compensation under Section 2.13, or if any Borrower is required to pay any additional amount to any Lender (including any Issuing Bank) or any Governmental Authority for the account of any Lender (including any Issuing Bank) pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans (or interests in Letters of Credit) hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender (including any Issuing Bank), such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender (including any Issuing Bank) to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender (including any Issuing Bank).

(b) If (i) any Lender (including any Issuing Bank) requests compensation under Section 2.13, (ii) any Borrower is required to pay any additional amount to any Lender (including any Issuing Bank) or any Governmental Authority for the account of any Lender (including any Issuing Bank) pursuant to Section 2.15, (iii) any Lender is a Defaulting Lender or (iv) any Lender

does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders (with the percentage in such definition being deemed to be 66 2/3% for this purpose) has been obtained), then the Parent Borrower may, at its sole expense (in the case of clauses (i), (ii) and (iv) of this Section 2.17(b) only), upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04, *provided* that the Parent Borrower shall be required to pay the processing and recordation fee referred to in Section 10.04(b)(ii)(C), or pursuant to deemed assignment provisions established by the Administrative Agent to which the Parent Borrower has previously consented in writing), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Parent Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and participations in LC Disbursements, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts) (and, if such Lender is an Issuing Bank, all Letters of Credit issued by it shall have been cancelled or other arrangements reasonably satisfactory to such Issuing Bank shall have been made with respect to such Letters of Credit), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments and (iv) in the case of an assignment pursuant to clause (iv) above, no Default shall have occurred and be continuing. A Lender (including any Issuing Bank) shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Parent Borrower to require such assignment and delegation cease to apply. No such assignment shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

SECTION 2.18. Change in Law. If (a) any Change in Law shall make it unlawful for any Issuing Bank to issue Letters of Credit denominated in an Alternative Currency or (b) there shall have occurred any change in national or international financial, political or economic conditions (including the imposition of or any change in exchange controls) or currency exchange rates that would make it impracticable for any Issuing Bank to issue Letters of Credit denominated in such Alternative Currency, then by prompt written notice thereof to the Parent Borrower and to the Administrative Agent (which notice shall promptly be withdrawn whenever such circumstances no longer exist), such Issuing Bank may declare that Letters of Credit will not thereafter be issued by it in the affected Alternative Currency or Alternative Currencies, whereupon the affected Alternative Currency or Alternative Currencies shall be deemed (until such notice is withdrawn) not to constitute an Alternative Currency for purposes of the issuance of Letters of Credit by such Issuing Bank.

SECTION 2.19. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Available Commitment of such Defaulting Lender pursuant to Section 2.10(a);

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.02); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of each Lender or each Lender affected thereby;

(c) if any LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Commitments but only to the extent the sum of all non-Defaulting Lenders' Revolving Credit Exposures plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Commitments;

(ii) if the reallocation described in clause (i) above cannot, or can only partially, be effected, the Parent Borrower shall within one Business Day following notice by the Administrative Agent cash collateralize for the benefit of the Issuing Bank only such Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.04(k) for so long as such LC Exposure is outstanding;

(iii) if the Parent Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Parent Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.04(f) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Sections 2.10(a) and 2.04(f) shall be adjusted in accordance with such non-Defaulting Lenders' Commitment; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all fees payable under Section 2.04(f) with respect to such Defaulting Lender's LC Exposure shall be payable to the applicable Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(d) so long as such Lender is a Defaulting Lender, no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the applicable Borrower in accordance with Section 2.19(c), and participating interests in any newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.19(c)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event or a Bail-In Action with respect to a Parent of any Lender shall occur following the date hereof and for so long as such event shall continue or (ii) the Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, the Issuing Bank shall not be required to issue, amend or increase any Letter of Credit, unless the Issuing Bank, as the case may be, shall have entered into arrangements with the Parent Borrower or such Lender, satisfactory to the Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Parent Borrower and the Issuing Bank each agrees, acting in good faith and a commercially reasonable manner, that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Commitment and on such date such Lender shall purchase at par such of the Loans of the other Lenders as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Loans in accordance with its Commitment.

SECTION 2.20. Extension of Maturity Date.

(a) Request for Extension. The Parent Borrower may, by notice to the Administrative Agent (who shall promptly notify the Lenders) not earlier than 60 days and not later than 30 days prior to the Maturity Date then in effect hereunder (the "Existing Maturity Date"), request that each Lender extend such Lender's Maturity Date for an additional 364 days from the Existing Maturity Date; provided, however, that the Parent Borrower may not request more than two such extensions pursuant to this Section 2.20.

(b) Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Administrative Agent given not earlier than 45 days prior to the Existing Maturity Date and not later than the date (the "Notice Date") that is 15 days prior to the Existing Maturity Date, advise the Administrative Agent whether or not such Lender agrees to such extension (and each Lender that determines not to so extend its Maturity Date (a "Non-Extending Lender") shall notify the Administrative Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Administrative Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c) Notification by Administrative Agent. The Administrative Agent shall notify the Parent Borrower of each Lender's determination under this Section 2.20 no later than the date 15 days prior to the Existing Maturity Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d) Additional Commitment Lenders. The Parent Borrower shall have the right on or before the Existing Maturity Date to replace each Non-Extending Lender with, and add as “Lenders” under this Agreement in place thereof, one or more Eligible Assignees (each, an “Additional Commitment Lender”) as provided in Section 10.04 each of which Additional Commitment Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Commitment Lender shall, effective as of the Existing Maturity Date, undertake a Commitment (and, if any such Additional Commitment Lender is already a Lender, its Commitment shall be in addition to such Lender’s Commitment hereunder on such date).

(e) Minimum Extension Requirement. If (and only if) the total of the Commitments of the Lenders that have agreed so to extend their Maturity Dates and the additional Commitments of the Additional Commitment Lenders shall be more than 50% of the aggregate amount of the Commitments in effect immediately prior to the Existing Maturity Date, then, effective as of the Existing Maturity Date, the Maturity Date of each Extending Lender and of each Additional Commitment Lender shall be extended to the date falling 364 days after the Existing Maturity Date (except that, if such date is not a Business Day, such Commitment Date as so extended shall be the next preceding Business Day) and each Additional Commitment Lender shall thereupon become a “Lender” for all purposes of this Agreement.

(f) Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, an extension of the Maturity Date pursuant to this Section 2.20 shall not be effective with respect to any Lender unless:

(i) At the time of and immediately after giving effect to such extension, no Default shall have occurred and be continuing;

(ii) The representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, in all respects) on and as of the date of such extension (other than such representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date); and

(iii) On or before the then applicable Existing Maturity Date, (1) the Borrowers shall have paid in full the principal of and interest on all of the Loans made by each Non-Extending Lender to the Borrowers hereunder and (2) the Borrowers shall have paid in full all other amounts owing to such Non-Extending Lender hereunder.

(g) Amendment; Sharing of Payments. In connection with any extension of the Maturity Date, the Borrowers, the Administrative Agent and each extending Lender may make such amendments to this Agreement as the Administrative Agent determines to be reasonably necessary to evidence the extension. This Section shall supersede Sections 2.16 and 10.02.

ARTICLE III

Representations and Warranties

The Parent Borrower represents and warrants and each Subsidiary Borrower represents and warrants (to the extent specifically applicable to such Subsidiary Borrower) to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Borrowers, the Guarantors and the Parent Borrower's Significant Subsidiaries (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) is duly organized, validly existing and, other than the Swiss Loan Party, in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States of America) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. Each Loan Document has been duly executed and delivered by each Loan Party which is a party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Parent Borrower or any other Loan Party or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture or any material agreement or other material instrument binding upon Parent Borrower or other Loan Party its assets, or give rise to a right thereunder to require any payment to be made by Parent Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of Parent Borrower or any of other Loan Party.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Parent Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended March 30, 2019, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the Fiscal Quarter and the portion of the Fiscal Year ended June 30, 2019, certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end

audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since March 30, 2019 there has been no material adverse change in the business, operations, property or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries, taken as a whole; provided that, only during the period from the First Amendment Effective Date until March 31, 2021, the impacts of the Coronavirus pandemic on the business, assets, operations, property or financial condition of the Parent Borrower and its Subsidiaries taken as a whole that (A) have already occurred and were disclosed in writing to the Lenders in the materials distributed to the Lenders on May 22, 2020 and (B) that were reasonably foreseeable (in consequence and duration) in light of any event, development or circumstance described in the foregoing clause (A) (provided that any such additional impacts described in this clause (B) are similar to the previously disclosed impacts described in the foregoing clause (A)), will in each case be disregarded for purposes of determining whether a material adverse change in the business, operations, property or financial condition of the Parent Borrower and its Subsidiaries, taken as a whole, has occurred.

SECTION 3.05. Properties. (a) Each of the Parent Borrower and the other Loan Parties has good title to, or valid leasehold interests in, all its real and personal property material to the operation of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or such other defects as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Parent Borrower and the other Loan Parties owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business as currently conducted, and the use thereof by the Parent Borrower and the other Loan Parties does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting Parent Borrower or any of its Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (except for actions, suits or proceedings disclosed prior to June 30, 2019 in reports publicly filed by the Parent Borrower under the Securities Exchange Act of 1934, as amended, which disclosure was true and correct in all material respects as of the date made and as of the Effective Date) or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Parent Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Laws or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements. (a) Each of the Parent Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

(b) The Parent Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent Borrower, its Subsidiaries and, to the knowledge of the Parent Borrower, their respective officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in Parent Borrower being designated as a Sanctioned Person. None of (a) the Parent Borrower, any Subsidiary or, to the knowledge of the Parent Borrower, any of their respective directors, officers or employees, or (b) to the knowledge of the Parent Borrower, any agent of the Parent Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Transactions contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 3.08. Investment Company Status. Neither the Parent Borrower nor any of its Subsidiaries is required to be registered as an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.09. Taxes. Each of the Parent Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Parent Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. (i) Except as could not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder, and each Foreign Plan is in compliance with applicable non-United States law and regulations thereunder, and (ii) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events and Foreign Plan Events for which liability has been imposed or is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent

financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.11. Disclosure. All of the reports, financial statements and certificates furnished by or on behalf of any Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or hereafter delivered hereunder or reports filed pursuant to the Securities Exchange Act of 1934, as amended (as modified or supplemented by other information so furnished prior to the date on which this representation and warranty is made or deemed made) do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Parent Borrower and the Subsidiary Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. As of the Effective Date, to the best knowledge of the Parent Borrower, the information included in the Beneficial Ownership Certification provided by a Borrower on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

SECTION 3.12. Subsidiary Guarantors. Set forth on Schedule 3.12 is a list of each Subsidiary which, in accordance with Section 4.01(b), is required to be a Guarantor under the Guarantee Agreement on the Effective Date.

SECTION 3.13. Anti-Corruption Laws and Sanctions. The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the Borrowers, their subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers, their subsidiaries and their respective officers and directors and to the knowledge of the Borrowers their employees and agents, are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in a Borrower being designated as a Sanctioned Person. None of (a) the Borrowers, any Subsidiary, any of their respective directors or officers or to the knowledge of the Borrowers or such Subsidiary employees, or (b) to the knowledge of the Borrowers, any agent of a Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing or Letter of Credit, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. The foregoing representations in this Section 3.13 will not apply to any party hereto to which Council Regulation (EC) 2271/96 (the "Blocking Regulation") applies, if and to the extent that such representations are or would be unenforceable by or in respect of that party pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

SECTION 3.14. EEA Financial Institutions. No Loan Party is an Affected Financial Institution.

SECTION 3.15. Plan Assets; Prohibited Transactions. None of the Borrowers or any of their subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan and the issuance of any Letter of Credit hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

SECTION 3.16. Margin Regulations. The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing or Letter of Credit extension hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing or drawing under each Letter of Credit, not more than 25% of the value of the assets (either of the Borrowers only or of the Borrowers and their subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.17. Compliance with Swiss Non-Bank Rules. (a) Subject to clause (b) below, each Swiss Borrower represents that it is at all times in compliance with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 3.16, the relevant Swiss Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

SECTION 3.18. Additional Specified Stimulus Indebtedness. The Parent Borrower hereby represents and warrants that it and/or its applicable Subsidiaries have determined in good faith in consultation with counsel that it and/or such Subsidiaries are eligible to participate in all Additional Specified Stimulus Indebtedness programs that the Parent Borrower and/or such Subsidiaries currently participate in or have applied to participate in, and have taken into consideration in making such determination the rules, regulations and guidance related to such programs.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written

evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received the Guarantee Agreement executed and delivered by each Domestic Subsidiary, if any, which, as of the Effective Date, is a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations).

(c) [Reserved].

(d) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Kelley Drye & Warren LLP, counsel for the Loan Parties, substantially in the form of Exhibit B. The Borrowers hereby request Kelley Drye & Warren LLP to deliver the opinion provided for in the preceding sentence.

(e) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions by the Loan Parties and any other legal matters relating to the Loan Parties, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(f) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Parent Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one Business Day prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Parent Borrower hereunder.

(h) (i) The Administrative Agent shall have received, at least five days prior to the Effective Date, all documentation and other information regarding the Borrowers requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrowers at least 10 days prior to the Effective Date and (ii) to the extent a Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Effective Date, any Lender that has requested, in a written notice to such Borrower at least 10 days prior to the Effective Date, a Beneficial Ownership Certification in relation to such Borrower shall have received such Beneficial Ownership Certification (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied; *further provided* that, the Borrowers shall not be required to provide any personal data or information with respect to any individual, including without limitation personally

identifiable information, unless such data or information is required to be provided under applicable “know your customer” and anti-money laundering rules and regulations).

The Administrative Agent shall notify the Parent Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. On the Effective Date, (i) the Commitments of the Lenders shall be as set forth on Schedule 2.01 and (ii) each obligation of the Loan Parties hereunder and under each Loan Document shall be deemed to be obligations of the Loan Parties under the Loan Documents. Notwithstanding the foregoing, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 3:00 p.m., New York City time, on September, 30, 2019 (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, but excluding a conversion of all or a portion of a Borrowing from one Type to the other or a continuation of all or a portion of a Borrowing of the same Type pursuant to Section 2.06, and of each Issuing Bank to issue, increase, renew or extend any Letter of Credit, is subject to the satisfaction of the following conditions:

(a) The representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, in all respects) on and as of the date of such Borrowing or the date of issuance, increase, renewal or extension of such Letter of Credit, as applicable (other than such representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date)); provided, however, that if the proceeds of such Loan are being used to refinance maturing commercial paper issued by the Parent Borrower, then the representations and warranties in Sections 3.04(b) and 3.06(a) shall not apply.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, increase, renewal or extension of such Letter of Credit, as applicable, no Default shall have occurred and be continuing.

Each Borrowing and each issuance, increase, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by the applicable Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Additional Condition to Initial Borrowing by Subsidiary Borrowers. The obligations of the Lenders to make the initial Loan to a particular Subsidiary Borrower shall not become effective, with respect to such Subsidiary Borrower, until the date on which the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of non-U.S. counsel for such Subsidiary Borrower in form and substance customary and typical for such opinion and reasonably satisfactory to the Administrative Agent.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full and all Letters of Credit shall have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Ratings Change and Other Information. The Parent Borrower will furnish to each Lender through the Administrative Agent:

(a) within 90 days after the end of each Fiscal Year, the Parent Borrower's audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by Ernst & Young LLP or other independent public accountants of recognized national standing (without a "going concern" or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph shall be deemed satisfied by the delivery of, the Annual Report of the Parent Borrower on Form 10-K (or any successor form as prescribed by the Securities and Exchange Commission) for such Fiscal Year, signed by the duly authorized officer or officers of the Parent Borrower;

(b) within 60 days after the end of each of the first three Fiscal Quarters, the Parent Borrower's consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements

of this paragraph shall be deemed satisfied by the delivery of the Quarterly Report of the Parent Borrower on Form 10-Q (or any successor form as prescribed by the Securities and Exchange Commission) for the relevant Fiscal Quarter, signed by the duly authorized officer or officers of the Parent Borrower.

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Parent Borrower (i) stating that he or she has obtained no knowledge that a Default has occurred (except as set forth in such certificate), (ii) if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.07; and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 which has had an effect on such financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly after the same become publicly available, copies of all other periodic and other reports, proxy statements and other materials filed by the Parent Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Parent Borrower to its shareholders generally, as the case may be;

(f) promptly after the Parent Borrower shall have received notice that Moody's or S&P has announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(g) promptly following any request therefor, (x) such other information regarding the business affairs or financial position of the Parent Borrower or any other Loan Party, or compliance with the terms of this Agreement, as the Administrative Agent on behalf of any Lender may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, provided that the Parent Borrower shall not be required to provide any personal data or information with respect to any individual, including without limitation personally identifiable information, unless such data or information is required to be provided under applicable "know your customer" and anti-money laundering rules and regulations; and

(h) promptly after receipt thereof by any Borrower or any Subsidiary, copies of each written notice or other written correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by the Securities and Exchange Commission or such other agency regarding financial or other operational results of any Borrower or any Subsidiary thereof.

SECTION 5.02. Notices of Material Events. The Parent Borrower will furnish to the Lenders through the Administrative Agent prompt written notice of the following after the Parent Borrower shall have obtained knowledge thereof:

- (a) the occurrence of any Default;
- (b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent Borrower or its Subsidiaries that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;
- (c) the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in liability of any Loan Party or any of its ERISA Affiliates in an aggregate amount exceeding \$10,000,000;
- (d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and
- (e) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Parent Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Parent Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business except, in each case (other than the case of the foregoing requirements insofar as they relate to the legal existence of the Borrowers and the Guarantors), to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04. Payment of Obligations. The Parent Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Parent Borrower or such Subsidiary has set aside on its

books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. Except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, the Parent Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and except for surplus and obsolete properties, and (b) maintain, with financially sound and reputable insurance companies, insurance on such of its property and in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Parent Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries in conformity in all material respects with all applicable laws, rules and regulations of any Governmental Authority are made of all dealings and transactions in relation to its business and activities. The Parent Borrower will, and will cause each of its Subsidiaries to, on an annual basis at the request of the Administrative Agent (or at any time after the occurrence and during the continuance of a Default), permit any representatives designated by the Administrative Agent or any Lender (at such Lender's expense), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records (other than materials protected by the attorney-client privilege and materials which the Parent Borrower or such Subsidiary, as applicable, may not disclose without violation of a confidentiality obligation binding upon it), and to discuss its affairs, finances and condition with its officers and independent accountants, so long as afforded opportunity to be present, all during reasonable business hours. It is understood that so long as no Event of Default has occurred and is continuing, such visits and inspections shall be coordinated through the Administrative Agent.

SECTION 5.07. Compliance with Laws. The Parent Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Parent Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08. Compliance with Swiss Non-Bank Rules. (a) Subject to clause (b) below, each Swiss Borrower will comply with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 5.08, the relevant Swiss Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss

Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

SECTION 5.09. Use of Proceeds and Letters of Credit. The proceeds of the Loans will be used only to finance the working capital needs, capital expenditures, Permitted Acquisitions, Investments permitted under Section 6.05 and general corporate purposes of the Parent Borrower and its Subsidiaries (including the initiation and maintenance of a commercial paper program, the refinancing of commercial paper and the refinancing of the Existing Credit Agreement). No part of the proceeds of any Loan will be used, whether directly or indirectly, for the purpose of purchasing or carrying, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any other purpose that entails a violation of any such regulations. The Commercial Letters of Credit shall be used solely to finance purchases of goods by the Parent Borrower and its Subsidiaries in the ordinary course of their business, and the Standby Letters of Credit shall be used solely for the purposes described in the definition of such term in Section 1.01.

SECTION 5.10. Guarantee Agreement Supplement. Each Domestic Subsidiary that becomes a Significant Subsidiary subsequent to the Effective Date shall promptly (and in any event within 60 days of becoming a Significant Subsidiary) execute and deliver to the Administrative Agent (with a counterpart for each Lender) a supplement to the Guarantee Agreement pursuant to which such Subsidiary shall become a party thereto as a Guarantor, together with such other documents and legal opinions with respect thereto as the Administrative Agent shall reasonably request (which documents and opinions shall be in form and substance reasonably satisfactory to the Administrative Agent).

SECTION 5.11. Additional Specified Stimulus Indebtedness. Before participating in or applying to participate in any Additional Specified Stimulus Indebtedness relief program, each of the Parent Borrower and/or its applicable Subsidiaries shall make a determination in good faith in consultation with counsel that it is eligible to participate in such program, and shall take into consideration in making such determination the rules, regulations and guidance related to such program. Further, the applicable borrower of such Additional Specified Stimulus Indebtedness shall comply in all material respects with the laws, rules and regulations (including with respect to use of proceeds) applicable to the relevant credit or financial support program.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full and all Letters of Credit have expired or terminated and all LC Disbursements shall have been reimbursed, the Parent Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder and under the other Loan Documents and Indebtedness created under the 364-Day Credit Agreement;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof;

(c) Indebtedness of the Parent Borrower to any Subsidiary and of any Subsidiary to the Parent Borrower or any other Subsidiary; provided that, during the Specified Period, other than with respect to Cash Pooling Arrangements, the aggregate amount of Indebtedness incurred by Subsidiaries that are not Loan Parties pursuant to this clause (c) shall not exceed at any one time outstanding \$125,000,000;

(d) Guarantees by the Parent Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Parent Borrower or any other Subsidiary;

(e) Indebtedness of the Parent Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any real property, fixed or capital assets, including Finance Lease Obligations, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred no more than 90 days prior to or within 90 days after such acquisition or the completion of such construction or improvement;

(f) Indebtedness acquired or assumed in Permitted Acquisitions and extensions, renewals and replacements of any such indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof or have different obligors;

(g) Priority Indebtedness (excluding any Indebtedness permitted by Sections 6.01(e) and (f)) in an aggregate principal amount at any one time outstanding not to exceed (i) during the Specified Period, \$15,000,000 and (ii) on and after the Specified Period Termination Date, 10% of the Parent Borrower's then Consolidated Net Worth;

(h) Unsecured Indebtedness (excluding any Indebtedness permitted by Section 6.01(f)), not otherwise permitted by this Section, of any Borrower or any Subsidiary which is a Guarantor so long as (i) on a pro forma basis after giving effect to the incurrence of such Indebtedness, the ratio of (x) Adjusted Debt then outstanding to (y) Consolidated EBITDAR for the then most recently ended period of four consecutive Fiscal Quarters for which financial statements shall have been delivered to the Lenders pursuant to Section 5.01 is not greater than 3.75 to 1.00;

(i) Indebtedness under Swap Agreements not entered into for speculative purposes;

(j) Any joint and several liability as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes;

(k) Additional Specified Notes Indebtedness; and

(l) Additional Specified Stimulus Indebtedness.

For purposes of this subsection 6.01, any Person becoming a Subsidiary of the Parent Borrower after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary, and any Indebtedness assumed by the Parent Borrower or any of its Subsidiaries shall be deemed to have been incurred on the date of assumption.

SECTION 6.02. Liens. The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

- (a) Permitted Encumbrances;
- (b) Liens existing on the Effective Date and set forth on Schedule 6.02;
- (c) any Lien on any property or asset of the Parent Borrower or any Subsidiary securing Indebtedness permitted by Section 6.01(e) incurred to acquire, construct or improve such property or asset;
- (d) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by the Parent Borrower or any of its Subsidiaries with such Person in the ordinary course of the Parent Borrower's or such Subsidiary's business) otherwise payable to the Parent Borrower or any of its Subsidiaries, *provided* that such right shall have been conveyed to such Person for consideration received by the Parent Borrower or such Subsidiary on an arm's-length basis;
- (e) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to Operating Leases entered into by the Parent Borrower or any of its Subsidiaries in the ordinary course of business;
- (f) Liens securing Indebtedness described in clause (a) of the definition of Priority Indebtedness;
- (g) Liens securing Indebtedness permitted under Section 6.01(c);
- (h) Bankers' liens and rights of setoff with respect to customary depository or other banking arrangements entered into in the ordinary course of business;
- (i) Liens attaching solely to cash earnest money or similar deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition;
- (j) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to consignments, *provided* that such Liens extend solely to the assets subject to such consignments; and
- (k) Liens, including any netting or set-off, as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes.

SECTION 6.03. Sale of Assets. The Parent Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of (in one transaction or a series of transactions) all or substantially all of the assets of the Parent Borrower and its Subsidiaries taken as a whole.

SECTION 6.04. Fundamental Changes. (a) The Parent Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, (i) any Subsidiary may merge into the Parent Borrower in a transaction in which the Parent Borrower is the surviving corporation, (ii) any Subsidiary (including a Guarantor) may merge into any other Subsidiary in a transaction in which the surviving entity is a Subsidiary (*provided* that, in the case of a merger of a Subsidiary that is not a Subsidiary Borrower into a Subsidiary Borrower in which the surviving Subsidiary is not the Subsidiary Borrower, the surviving Subsidiary shall execute and deliver to the Administrative Agent an assumption agreement expressly assuming the Subsidiary Obligations of such Subsidiary Borrower under this Agreement), and (iii) any Subsidiary may liquidate or dissolve if the Parent Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Parent Borrower and its Subsidiaries and is not materially disadvantageous to the Lenders and except that the Parent Borrower or any Subsidiary may effect any acquisition permitted by Section 6.05 by means of a merger of the Person that is the subject of such acquisition with the Parent Borrower or any of its Subsidiaries (*provided* that, in the case of a merger with the Parent Borrower, the Parent Borrower is the survivor); and

(b) The Parent Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than a Related Line of Business; provided, that the Parent Borrower and any Subsidiary may engage in any business or businesses which are not Related Lines of Business, so long as the Investments made by the Parent Borrower and/or the Subsidiaries in such businesses do not exceed \$750,000,000 in the aggregate, which amount shall be included in the aggregate amount for Investments permitted under Section 6.05(j).

SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions. The Parent Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit or the rights of any licensee under a trademark license to such licensee from the Parent Borrower or any of its Affiliates, except:

- (a) Permitted Investments;
- (b) investments by the Parent Borrower or a Subsidiary in the capital stock of its Subsidiaries;

(c) loans or advances made by the Parent Borrower to, and Guarantees by the Parent Borrower of obligations of, any Subsidiary, and loans or advances made by any Subsidiary to, and Guarantees by any Subsidiary of obligations of, the Parent Borrower or any other Subsidiary;

(d) Guarantees constituting Indebtedness permitted by Section 6.01;

(e) advances or loans made in the ordinary course of business to employees of the Parent Borrower and its Subsidiaries;

(f) existing Investments not otherwise permitted under this Agreement and described in Schedule 6.05 hereto;

(g) Investments received in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to the Parent Borrower or any Subsidiary;

(h) Permitted Acquisitions; provided that if, as a result of a Permitted Acquisition, (i) a new Domestic Subsidiary shall be created and such Domestic Subsidiary is a “Significant Subsidiary” (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) or (ii) any then existing Domestic Subsidiary shall become such a Significant Subsidiary, such Domestic Subsidiary shall thereafter become party to the Guarantee Agreement as a Guarantor in accordance with Section 5.10; provided further, that during the Specified Period, the aggregate amount of Permitted Acquisitions made pursuant to this clause (h), when taken together with all Investments made during such period pursuant to clause (j), shall not exceed \$100,000,000

(i) Swap Agreements not entered into for speculative purposes; and

(j) Investments, in addition to Investments permitted under clauses (a) through (h) of this Section 6.05, but including Investments permitted under Section 6.04(b) made after the date hereof in an aggregate amount not to exceed \$750,000,000 in any Person or Persons; provided that, during the Specified Period, the aggregate amount of Investments made pursuant to this clause (j), when taken together with all Permitted Acquisitions made during such period pursuant to clause (h), shall not exceed \$100,000,000.

SECTION 6.06. Transactions with Affiliates. The Parent Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, (a) any of its Affiliates, (b) a spouse or any relative (by blood, adoption or marriage) within the third degree of any such Affiliate or (c) any other Person which is an Affiliate of any such spouse or relative, except (x) in the ordinary course of business at prices and on terms and conditions, in the aggregate (taking into account all of the Parent Borrower’s or such Subsidiary’s transactions with, and the benefits to the Parent Borrower and its Subsidiaries derived from the Parent Borrower’s or such Subsidiary’s Investment in, such Affiliate), not less favorable to the Parent Borrower or such Subsidiary than could be obtained on an arm’s-length basis from unrelated third parties, excluding customary compensation paid to, and indemnity provided on behalf of, directors, officers and employees of the Parent Borrower and any Subsidiary and (y) transactions between or among the Parent Borrower and its Subsidiaries not involving any other Affiliate.

SECTION 6.07. Financial Covenants.

(a) Minimum Liquidity. At all times from the First Amendment Effective Date until the Ratings-Based Pricing Toggle Date, the Parent Borrower will not permit the aggregate Liquidity of the Parent Borrower and its Subsidiaries to be less than \$750,000,000 at any time (it being understood and agreed that, except as required pursuant to Section 6.01(c), compliance with this Section 6.07(a) may be certified by a Financial Officer of the Parent Borrower by e-mail to the Administrative Agent).

(b) Consolidated Leverage Ratio. The Parent Borrower will not permit the Consolidated Leverage Ratio (x) during the Specified Period, to be greater than (i) 5.25 to 1.00 as of the last day of the period of four consecutive Fiscal Quarters ending on September 30, 2021, (ii) 4.75 to 1.00 as of the last day of the period of four consecutive Fiscal Quarters ending on December 31, 2021 and the period of four consecutive Fiscal Quarters ending on March 31, 2022 and (iii) 4.25 to 1.00 as of the last day of any four consecutive Fiscal Quarters ending on or after June 30, 2022, and (y) after the Specified Period Termination Date, to be greater than 4.25 to 1.00 as of the last day of any four consecutive Fiscal Quarters.

SECTION 6.08. Anti-Corruption Laws and Sanctions. The Parent Borrower will not request any Borrowing or Letter of Credit, and the Parent Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing or Letter of Credit (A) for the purpose of funding payments to any officer or employee of a Governmental Authority, or any Person controlled by a Governmental Authority, or any political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 6.09. Restricted Payments. At any time prior to the Specified Period Termination Date, the Parent Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Parent Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Parent Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries and (d) the Parent Borrower and its Subsidiaries may make any other Restricted Payment in the form of a dividend so long as (i) no Event of Default has occurred and is continuing prior to making such Restricted Payment or would arise after giving effect thereto and (ii) the aggregate amount of Restricted Payments made pursuant to this Section 6.09(d) do not exceed (x) \$60,000,000 in the aggregate in any Fiscal Quarter and (y) \$200,000,000 in the aggregate in any Fiscal Year.

ARTICLE VII

Events of Default

If any of the following events (each, an “Event of Default”) shall occur:

(a) any Borrower shall fail to pay (i) any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise, or (ii) any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable and such failure to pay such reimbursement obligation shall continue unremedied for a period of five Business Days;

(b) any Borrower shall fail to pay any interest on any Loan or unreimbursed LC Disbursement or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of the Parent Borrower or any Subsidiary in or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.03 (with respect to each Borrower’s existence) or 5.09 or in Article VI;

(e) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Parent Borrower (which notice will be given at the request of any Lender);

(f) the Parent Borrower or any Subsidiary shall fail to make any payment of principal or interest, regardless of amount, in respect of any Material Indebtedness, when and as the same shall become due and payable beyond the period (without giving effect to any extensions, waivers, amendments or other modifications of or to such period) of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created, and, prior to any termination of Commitments or the acceleration of payment of Loans pursuant to this Article VII, such failure is not waived in writing by the holders of such Material Indebtedness;

(g) any event or condition occurs (after giving effect to any applicable grace periods and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause, with the giving of an acceleration or similar notice if required, any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such Indebtedness is paid when due;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Parent Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; provided, however, that the occurrence of any of the events specified in this paragraph (h) with respect to any Person other than the Parent Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (h) and in paragraphs (i) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(i) the Parent Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; provided, however, that the occurrence of any of the events specified in this paragraph (i) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net

assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (i) and in paragraphs (h) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(j) the Parent Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due; provided, however, that the occurrence of any of the events specified in this paragraph (j) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (j) and in paragraphs (h) and (i) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(k) one or more judgments for the payment of money in an aggregate amount (not paid or covered by insurance) in excess of \$50,000,000 shall be rendered against the Parent Borrower, any Subsidiary or any combination thereof and (i) the same shall remain undischarged for a period of 60 consecutive days from the entry thereof during which execution shall not be effectively stayed or bonded, or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Parent Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event or Foreign Plan Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Guarantee Agreement ceases to be in full force and effect;

then, and in every such event (other than an event with respect to any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Parent Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers; and in case of any

event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Parent Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Parent Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders and the Parent Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Parent Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent reasonably satisfactory to the Parent Borrower which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Parent Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Parent Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender (including each Issuing Bank) acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender (including each Issuing Bank) also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

The Syndication Agent and Co-Documentation Agents shall not have any duties or responsibilities under the Loan Documents in their capacity as such.

Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments, or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lenders’ entrance into, participation in,

administration of and performance of the Loans, the Letters of Credit, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE IX

Guarantee

SECTION 9.01. Guarantees (a) The Parent Borrower hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Subsidiary Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Subsidiary Obligations (other than, with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor). As used in this Article IX, the term "Lenders" includes affiliates of Lenders which are parties to any Specified Cash Management Agreements or Specified Swap Agreements.

(b) The Parent Borrower agrees that the Subsidiary Obligations may at any time and from time to time exceed the amount of the liability of the Parent Borrower hereunder that would exist in the absence of this Article IX without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(c) This Guarantee shall remain in full force and effect until all the Subsidiary Obligations shall have been satisfied by payment in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Guarantee the Subsidiary Borrowers may be free from any Subsidiary Obligations.

(d) No payment made by any Borrower, any Guarantor, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from any Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Subsidiary Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Parent Borrower hereunder which shall, notwithstanding any such payment (other than any payment made by the Parent Borrower in respect of the Subsidiary Obligations or any payment received or collected from the Parent Borrower in respect of the Subsidiary Obligations), remain liable for the Subsidiary Obligations until the Subsidiary Obligations are paid in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments are terminated.

SECTION 9.02. No Subrogation. Notwithstanding any payment made by the Parent Borrower hereunder or any set-off or application of funds of the Parent Borrower by the Administrative Agent or any Lender, the Parent Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Subsidiary Borrowers or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations nor shall the

Parent Borrower seek or be entitled to seek any contribution or reimbursement from the Subsidiary Borrowers or any other Guarantor in respect of payments made by the Parent Borrower under this Guarantee, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Obligations are paid in full in immediately available funds, no Letter of Credit shall be outstanding and the Commitments are terminated. If any amount shall be paid to the Parent Borrower on account of such subrogation rights at any time when all of the Subsidiary Obligations shall not have been paid in full in immediately available funds, such amount shall be held by the Parent Borrower for the benefit of the Administrative Agent and the Lenders, and shall, forthwith upon receipt by the Parent Borrower, be turned over to the Administrative Agent in the exact form received by the Parent Borrower (duly indorsed by the Parent Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Obligations whether matured or unmatured, in such order as the Administrative Agent may determine.

SECTION 9.03. Amendments, etc. with respect to the Subsidiary Obligations. The Parent Borrower shall remain obligated under this Guarantee notwithstanding that, without any reservation of rights against the Parent Borrower and without notice to or further assent by the Parent Borrower, any demand for payment of any of the Subsidiary Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Subsidiary Obligations continued, and the Subsidiary Obligations or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with Section 10.02, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations may be sold, exchanged, waived, surrendered or released without affecting the Parent Borrower's obligations under this Article IX. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Obligations or for this Guarantee.

SECTION 9.04. Guarantee Absolute and Unconditional. The Parent Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Subsidiary Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Article IX; and all dealings between the Parent Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Article IX. The Parent Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Subsidiary Borrowers or any of the Guarantors with respect to the Subsidiary Obligations. The Parent Borrower understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Obligations or any other collateral security therefor or guarantee or right of offset with respect

thereto at any time or from time to time held by the Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Subsidiary Borrowers for the Subsidiary Obligations, or of the Parent Borrower under this Article IX, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Parent Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Subsidiary Borrowers, any other Guarantor or any other Person or against any collateral security or guarantee for the Subsidiary Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Parent Borrower of any obligation or liability under this Article IX, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Parent Borrower under this Article IX. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

SECTION 9.05. Reinstatement. This Article IX shall continue to be effective, or shall be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

SECTION 9.06. Payments. The Parent Borrower hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in dollars or the applicable Alternative Currency at the office of the Administrative Agent located at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the following wire instructions of the Administrative Agent (or such other address or wire instructions of the Administrative Agent that may be provided from time to time by the Administrative Agent):

Bank: JPMorgan Chase Bank, N.A.
Location: Chicago, Illinois
Account No.: [REDACTED]
ABA No.: 021000021
Beneficiary: Loan Processing D.P.
Reference: Ralph Lauren Corporation

SECTION 9.07. Keepwell. Each Borrower Qualified Keepwell Provider hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide such funds or other support as may be needed from time to time for the Parent Borrower to qualify as an Eligible Contract Participant during the Swap Guarantee Eligibility Period in respect of any Swap Obligation (*provided, however*, that each Borrower Qualified Keepwell Provider shall only be liable under this Section 9.07 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.07, or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Borrower Qualified Keepwell Provider under this Section 9.07 shall remain in full force and effect until the obligations of the Borrowers under this Agreement have expired, been discharged or have otherwise been terminated in accordance with the terms of this Agreement. Each Borrower Qualified Keepwell Provider intends that this Section 9.07 constitute, and this Section 9.07 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of the Parent Borrower for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein and in the Guarantee Agreement shall be in writing and shall be delivered by hand or nationally recognized overnight courier service, mailed by certified or registered mail, U.S. first class postage prepaid, or sent by telecopy, as follows:

(i) if to any Borrower, to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Jane Hamilton Nielsen, Executive Vice President, Chief Operating Officer and Chief Financial Officer (Telecopy No. (212) 318-7232), with a copy to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Robert Alexander, Senior Vice President, Treasurer and Global Tax (Telecopy No. (201) 531-6251);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 10 South Dearborn, Floor 7, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com); and

(iii) if to any other Lender or any Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders (including any Issuing Bank) hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes (i) notices and other communications to a Lender (including an Issuing Bank) sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications to a Lender (including an Issuing Bank) posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Parent Borrower).

(d) Electronic Systems.

(iv) Each Loan Party, Issuing Bank and Lender agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Issuing Banks and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(v) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower or the other Loan Parties, any Lender, the Issuing Bank or

any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the any Loan Party's or the Administrative Agent's transmission of communications through an Electronic System, in each case except as found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Agent Party. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent, any Lender or any Issuing Bank by means of electronic communications pursuant to this Section, including through an Electronic System.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the Guarantee Agreement are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or the Guarantee Agreement or consent to any departure by any Borrower or any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or issuance of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor the Guarantee Agreement nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers or the Guarantors, as the case may be, and the Required Lenders or by the Borrowers or the Guarantors, as the case may be, and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan or LC Disbursement, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the Guarantors from their obligations under the Guarantee Agreement, without the written consent of each Lender (except that no approval of the Lenders shall be required to release a Guarantor in connection with the disposition of all the capital stock of such Guarantor not prohibited by the Loan Documents) or (vi) change any of the provisions of this Section or the definition of "Commitment", the definition of "Required Lenders", the definition of "Applicable

Percentage” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent or an Issuing Bank without the prior written consent of the Administrative Agent or such Issuing Bank, as the case may be. If the Administrative Agent and the Parent Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Parent Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

SECTION 10.03. Expenses; Indemnity; Damage Waiver. (a) The Parent Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent and the Lead Arrangers, including the reasonable fees, charges and disbursements of one domestic counsel for the Administrative Agent and the Lead Arrangers, collectively, in connection with the syndication of the credit facilities provided for herein, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, any Issuing Bank or any Lender, including the reasonable fees, charges and disbursements of one domestic counsel and one foreign counsel, as necessary, in each applicable jurisdiction for the Administrative Agent, the Syndication Agent, any Issuing Bank or any Lender, in connection with the enforcement or preservation of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made or Letters of Credit issued hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit.

(b) The Parent Borrower shall indemnify the Administrative Agent, the Syndication Agent, the Co-Documentation Agents, the Lead Arrangers, each Issuing Bank and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnatee”) against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnatee, incurred by or asserted against any Indemnatee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by an Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any

other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Indemnitee or such Indemnitee's employer or any Affiliate of either thereof or any of their respective officers, directors, employees, advisors or agents. Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) To the extent that the Parent Borrower fails to pay any amount required to be paid by it to the Administrative Agent or any Issuing Bank under paragraph (a) or (b) of this Section, but without affecting the Parent Borrower's obligations thereunder, each Lender severally agrees to pay to the Administrative Agent or such Issuing Bank, as the case may be, such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent or such Issuing Bank in its capacity as such.

(d) To the extent permitted by applicable law, no party hereto shall assert, and each such party hereby waives, any claim against any other party and any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof; provided that, nothing in this clause (d) shall relieve the Borrowers of any obligation they may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that (i) a Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void) and (ii) no Lender (including any Issuing Bank) may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, each Issuing Bank and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Parent Borrower; provided that no consent of the Parent Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender (provided that such Affiliate is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank), an Approved Fund (provided that such Approved Fund is a Swiss Permitted Non-Qualifying Bank) or, if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing, any other assignee; provided, further, that the Parent Borrower shall be deemed to have consented to any such assignment unless the Parent Borrower shall object thereto by written notice to the Administrative Agent within ten Business Days after having received written notice thereof;

(B) the Administrative Agent; and

(C) in the case of an assignment of a Commitment or an interest in Letters of Credit, each Issuing Bank.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Parent Borrower and the Administrative Agent otherwise consent, *provided* that no such consent of the Parent Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(E) no assignment (including any assignment to a Lender, an Affiliate of a Lender or an Approved Fund) shall be permitted if, immediately after giving effect thereto, amounts would become payable by any Borrower under Section 2.13 or 2.15 (including amounts payable under Section 2.15 in respect of withholding taxes) that are in excess of those that would be payable under such Section in respect of the amount assigned if such assignment were not made;

(F) no assignment shall be made to a natural person; and

(G) no assignment shall be made to any Borrower or its Affiliates.

(H) For the purposes of this Section 10.04(b), the term “Approved Fund” has the following meaning:

“Approved Fund” means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement (including, in the case of any Non-U.S. Lender (including each Issuing Bank that is a Non-U.S. Lender), obligations under Section 2.15(f)), and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.03); provided, however, that no such assignment or transfer shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against such Lender. Any assignment or transfer by a Lender (including an Issuing Bank) of rights or obligations under this Agreement that does not comply with this Section 10.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with, and subject to the conditions set forth in, paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the “Register”). The entries in the Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent, the Issuing Banks and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower, any Issuing Bank and (solely with respect to the Revolving Credit Exposure of such Lender) any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Parent Borrower, the Administrative Agent or any Issuing Bank, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the relevant Participant will have no proprietary interest in the benefit of this Agreement or in any monies received by such Lender under or in relation to this Agreement, (D) the relevant Participant will under no circumstances be subrogated to, or substituted in respect of, such Lender's claims under this Agreement or have otherwise any contractual relationship with, or rights against, any Borrower under, or in relation to, this Agreement (except as set forth in the following sentence with regards to benefits that each Participant is entitled to under Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired an interest by assignment pursuant to paragraph (b) of this Section) and (E) the Borrowers, the Administrative Agent, the applicable Issuing Bank and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i), (ii), (iii), (v) and (vi) of the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant shall also be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender; provided that, the foregoing sentence shall not apply to Ralph Lauren Europe Sàrl. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans, Letters of Credit or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Lender, each Loan Party and the Administrative Agent shall treat each Person whose name is recorded in the Participant Register

pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to the benefits of Section 2.13, 2.14 or 2.15 unless such Participant shall have complied with the requirements of such Section; provided, that in any case in which a Participant is so entitled, any such Participant shall not be entitled to receive any greater payment under Section 2.13, 2.14 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Parent Borrower's prior written consent, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Parent Borrower is notified of the participation sold to such Participant and such Participant agrees, for the benefit of the applicable Borrower, to comply with Section 2.15(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall (i) release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto (ii) require any payments to be made by any Borrower or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Loan Documents, or (iii) upon any enforcement of such pledge or assignment of a security interest, result in any assignment, transfer or sub-participation of any such rights under the Loan Documents which is in breach of this Clauses (a), (b) or (c) of this Section 10.04.

SECTION 10.05. Survival. All representations and warranties made by the Borrowers herein and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall survive the execution and delivery of this Agreement and the making of any Loans and issuance of any Letters of Credit, and shall terminate at such time as no principal of or accrued interest on any Loan or any fee or any other amount payable under this Agreement (other than contingent indemnification obligations that are not due and payable) is outstanding and unpaid, no Letter of Credit is outstanding and the Commitments have expired or been terminated. The provisions of Sections 2.13, 2.14, 2.15, 10.03, 10.13 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Letters of Credit and the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06. Counterparts; Integration; Effectiveness. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Guarantee Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") (which, as applicable, shall be delivered as set forth in Section 10.01) that is an Electronic Signature transmitted, to the extent permitted by Section 10.01 and this sentence, by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent, any Borrower, any other Loan Party or any Lender, any such Electronic Signature shall be promptly followed by a manually executed counterpart. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby, subject to the provisos in the first sentence of this Section 10.06(b), (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent, each of the Lenders, each Borrower and each other Loan Party may, at its option, create one or more copies

of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender and its related parties for any losses, claims, damages, liabilities and related expenses arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any losses, claims, damages, liabilities and related expenses arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

.SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of any Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that, to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation", no amounts received from, or set off with respect to, any Guarantor shall be applied to any Excluded Swap Obligations of such Guarantor. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York without reference to rules or principles that would require the application of the laws of any other jurisdiction.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrowers, any Loan Party or its properties in the courts of any jurisdiction.

(d) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each of the Administrative Agent, each Issuing Bank and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, in each case who have a need to know such Information in accordance with customary banking practices (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Parent Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis from a source other than a Borrower which is not subject to a confidentiality obligation known to the Administrative Agent and the Lenders with respect to such information. For the purposes of this Section, "Information" means all information received from any Borrower or any Subsidiary relating to such Borrower, any Subsidiary or their respective businesses, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by such Borrower or any Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from any Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Satisfaction in Applicable Currency. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligation of each Borrower hereunder or in respect of the Letters of Credit to make payments in a currency (the "Agreement Currency") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the Agreement Currency, be discharged only to the extent that, on the Business Day following receipt by the Administrative Agent and the Lenders of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent and the

Lenders may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the applicable Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent, the Issuing Banks and each Lender (as an alternative or additional cause of action) against such loss (if any) and if the amount of the Agreement Currency so purchased exceeds the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the Administrative Agent and the Lenders agree to remit such excess to the applicable Borrower. The obligations of each Borrower contained in this Section 10.13 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 10.14. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 10.15. No Fiduciary Duty. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the "Lenders"), may have economic interests that conflict with those of each of the Borrowers, its stockholders and/or its affiliates. Each Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and any Borrower, its stockholders or its affiliates, on the other. Each Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm's-length commercial transactions between the Lenders, on the one hand, and the Borrowers, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed

an advisory or fiduciary responsibility in favor of any Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Borrower, its stockholders or its Affiliates on other matters) or any other obligation to any Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Borrower, its management, stockholders, creditors or any other Person. Each Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Borrower, in connection with such transaction or the process leading thereto.

SECTION 10.16. USA PATRIOT Act. Each Lender and the Administrative Agent hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), such Lender and Agent is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrowers shall provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

SECTION 10.17. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are

permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

SECTION 10.18. Existing Credit Agreement. (a) The Lenders which are parties to the Existing Credit Agreement (which Lenders constitute the “Required Lenders” as defined in the Existing Credit Agreement) hereby (i) waive the requirement, set forth in Section 2.07(c) of the Existing Credit Agreement, that the Parent Borrower give not less than two Business Days’ notice of any termination of the Commitments (as defined therein), (ii) acknowledge and agree that, for purposes of determining the total “Revolving Credit Exposures” (as defined therein) that would be outstanding thereunder on the date of such termination, the letters of credit issued thereunder that are listed on Schedule 2.04 hereof shall (as a result of the operation of the antepenultimate sentence of Section 2.04(a) of this Agreement, which provides that on the Effective Date such letters of credit shall be deemed to be “Letters of Credit” issued hereunder) on the Effective Date be deemed no longer outstanding under the Existing Credit Agreement and (iii) pursuant to Section 9.02 of the Existing Credit Agreement, consent to the execution and delivery by JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent (under and as defined in the Existing Credit Agreement) for and on behalf of the Lenders (under and as defined in the Existing Credit Agreement), of this Agreement to evidence or effectuate (as set forth in Section 10.02(b)) the waivers and agreements set forth in clauses (i) and (ii) above.

(b) JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent as defined in the Existing Credit Agreement hereby (i) waives, for and on behalf of the Lenders (as defined therein), the requirement, set forth in Section 2.07(c) of the Existing Credit Agreement, that the Parent Borrower give not less than two Business Days’ notice of any termination of the Commitments (as defined therein) and (ii) acknowledges and agrees, for and on behalf of the Lenders (as defined therein), that for purposes of determining the total “Revolving Credit Exposures” (as defined therein) that would be outstanding thereunder on the date of such termination, the letters of credit issued thereunder that are listed on Schedule 2.04 hereof shall on the Effective Date be deemed no longer outstanding under the Existing Credit Agreement.

(c) Upon the Effective Date, the Existing Credit Agreement shall deemed to be terminated.

[Remainder of Page Intentionally Left Blank;

Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

RALPH LAUREN CORPORATION

By: /s/ Jane Nielsen
Name: Jane Nielsen
Title: Chief Financial Officer and Chief Operating Officer

RL FINANCE B.V.

By: /s/ Agnieszka Gradek
Name: Agnieszka Gradek
Title: Managing Director

RALPH LAUREN EUROPE SÀRL

By: /s/ Robert Alexander
Name: Robert Alexander
Title: Managing Officer (Gérant)

RALPH LAUREN ASIA PACIFIC LIMITED

By: /s/ Shih Jern Liang
Name: Shih Jern Liang
Title: Director

[Signature Page to First Amendment]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and as a Lender

By: /s/ Devin Roccisano

Name: Devin Roccisano

Title: Executive Director

[Signature Page to First Amendment]

Bank of America, N.A., as a Lender

By: /s/ Kevin Yuen
Name: Kevin Yuen
Title: Senior Vice President

WELLS FARGO BANK, N.A., as a Lender

By: /s/ Joseph Gricco
Name: Joseph Gricco
Title: Director

HSBC Bank USA, N.A., as a Lender

By: /s/ Jason Fuqua
Name: Jason Fuqua
Title: Vice President

DEUTSCHE BANK AG NEW YORK BRANCH, as a
Lender

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

By: /s/ Annie Chung
Name: Annie Chung
Title: Director

[Signature Page to First Amendment]

ING BANK N.V., DUBLIN BRANCH, as a Lender

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

By: /s/ Cormac Langford
Name: Cormac Langford
Title: Director

SUMITOMO MITSUI BANKING CORPORATION, as a
Lender

By: /s/ Katie Lee
Name: Katie Lee
Title: Director

GOLDMAN SACHS BANKS USA, as a Lender

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

[Signature Page to First Amendment]

CREDIT AGREEMENT

dated as of

May 26, 2020

among

RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SÀRL and RALPH LAUREN ASIA
PACIFIC LIMITED,
as Borrowers,

The Lenders Party Hereto

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

BANK OF AMERICA, N.A.,
as Syndication Agent

and

DEUTSCHE BANK SECURITIES INC., ING BANK N.V., DUBLIN BRANCH,
SUMITOMO MITSUI BANKING CORPORATION and HSBC BANK USA, N.A.,
as Co-Documentation Agents

JPMORGAN CHASE BANK, N.A. and
BOFA SECURITIES, INC.
as Bookrunners and Lead Arrangers

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- Schedule 3.12 -- Subsidiary Guarantors
- Schedule 6.01 -- Existing Indebtedness
- Schedule 6.02 -- Existing Liens
- Schedule 6.05 -- Existing Investments

EXHIBITS:

- Exhibit A -- Form of Assignment and Assumption
- Exhibit B -- Form of Opinion of Loan Parties' Counsel
- Exhibit C -- Form of Guarantee Agreement
- Exhibit D -- [Reserved]
- Exhibit E-1 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Lenders that are not Partnerships for U.S. Federal Income Tax Purposes
- Exhibit E-2 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Lenders that are Partnerships for U.S. Federal Income Tax Purposes
- Exhibit E-3 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Participants that are not Partnerships for U.S. Federal Income Tax Purposes
- Exhibit E-4 -- Form of U.S. Tax Compliance Certificate for Non-U.S. Participants that are Partnerships for U.S. Federal Income Tax Purposes

CREDIT AGREEMENT, dated as of May 26, 2020 (this “Agreement”), among RALPH LAUREN CORPORATION, RL FINANCE B.V., RALPH LAUREN EUROPE SÀRL, RALPH LAUREN ASIA PACIFIC LIMITED, the LENDERS party hereto, BANK OF AMERICA, N.A., as Syndication Agent, ING BANK N.V., DUBLIN BRANCH, DEUTSCHE BANK SECURITIES INC., SUMITOMO MITSUI BANKING CORPORATION and HSBC BANK USA, N.A., as Co-Documentation Agents, and JPMORGAN CHASE BANK, N.A., as Administrative Agent.

The parties hereto hereby agree as follows:

ARTICLE I

Definitions

SECTION 1.01. Defined Terms.

As used in this Agreement, the following terms have the meanings specified below:

“2020 Senior Notes” means the senior unsecured notes of the Parent Borrower due August 18, 2020, which bear interest at a fixed rate of 2.625%.

“ABR”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate. Only Loans denominated in dollars may be ABR Loans.

“Additional Specified Stimulus Indebtedness” means senior unsecured or subordinated Indebtedness incurred pursuant to a credit or financial support program of or backed by a Governmental Authority with the intent to mitigate through liquidity or other financial relief the impact of the Coronavirus pandemic on the business and operations of the Parent Borrower and its Subsidiaries; provided that (i) the aggregate principal amount of all such Additional Specified Stimulus Indebtedness shall not exceed \$100,000,000, (ii) such Additional Specified Stimulus Indebtedness shall not be subject to any Guarantee by any Person other than a Loan Party, (iii) both immediately before and immediately after the incurrence of such Additional Specified Stimulus Indebtedness, no Event of Default shall have occurred and be continuing on the date such Additional Specified Stimulus Indebtedness is incurred, (iv) the covenants and events of default applicable to such Additional Specified Stimulus Indebtedness (taken as a whole) shall be reflective of market terms and conditions for the type of Indebtedness incurred or issued pursuant to the applicable credit or financial support program at the time of issuance or incurrence thereof (as determined by the Parent Borrower in good faith) and (v) such Indebtedness shall be incurred during the Specified Period (as defined in the Five-Year Credit Agreement).

“Adjusted Debt” means, for any date, for the Parent Borrower and its Subsidiaries, all Indebtedness *plus* all Operating Lease Obligations (in each case, computed on a consolidated basis) outstanding on such date.

“Adjusted LIBO Rate” means, with respect to any Eurocurrency Borrowing for any Interest Period, an interest rate *per annum* (rounded upwards, if necessary, to the next 1/100

of 1%) equal to (a) the LIBO Rate for such Interest Period multiplied by (b) the Statutory Reserve Rate.

“Administrative Agent” means JPMorgan in its capacity as administrative agent for the Lenders hereunder, together with any non-U.S. Affiliate of JPMorgan, to the extent that JPMorgan determines that it is necessary or appropriate to use such non-U.S. Affiliate in acting as administrative agent hereunder. Any obligations owed by any Borrower to the Administrative Agent hereunder shall be owed solely to JPMorgan, and not to any Affiliate of JPMorgan, unless such Borrower otherwise agrees in writing.

“Administrative Questionnaire” means an Administrative Questionnaire in a form supplied by the Administrative Agent.

“Affected Financial Institution” means (a) any EEA Financial Institution or (b) any UK Financial Institution.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Agent Party” has the meaning assigned to such term in Section 10.01(d).

“Agreement Currency” has the meaning assigned to such term in Section 10.13(b).

“Alternate Base Rate” means, for any day, a rate *per annum* equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB Rate in effect on such day plus ½ of 1% and (c) the Adjusted LIBO Rate for a one month Interest Period on such day (or if such day is not a Business Day, the immediately preceding Business Day) plus 1%; provided that for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such day. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.12, then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above. For the avoidance of doubt, if the Alternate Base Rate as determined pursuant to the foregoing would be less than 1.75%, such rate shall be deemed to be 1.75% for purposes of this Agreement.

“Alternative Currency” means (a) Euros, Hong Kong Dollars and Yen and (b) any other currency (other than dollars) that is freely available, freely transferable and freely convertible into dollars and in which dealings in deposits are carried on in the London interbank market, *provided* that such currency is reasonably acceptable to the Administrative Agent and the Lenders.

“Ancillary Document” has the meaning assigned to such term in Section 10.06(b).

“Anti-Corruption Laws” means all laws, rules, and regulations of any jurisdiction applicable to the Parent Borrower or any of its Affiliates from time to time concerning or relating to bribery or corruption.

“Applicable Percentage” means, with respect to any Lender, the percentage of the total Commitments represented by such Lender’s Commitment; provided that for purposes of Section 2.19 “Applicable Percentage” shall mean the percentage of the total Commitment (disregarding any Defaulting Lender’s Commitment) represented by each Lender’s Commitment. If the Commitments have terminated or expired, “Applicable Percentage” shall mean, with respect to any Lender, the percentage of the aggregate principal amount of the Revolving Credit Exposure represented by the aggregate outstanding principal amount of such Lender’s Revolving Credit Exposure.

“Applicable Rate” means, for any day, with respect to any Eurocurrency Loan, any ABR Loan or with respect to the commitment fees payable hereunder, as the case may be, the applicable rate per annum set forth below (expressed in basis points) under the caption “Eurocurrency Spread”, “ABR Spread” or “Commitment Fee Rate”, as the case may be, based upon the ratings by Moody’s and S&P, respectively, applicable on such date to the Index Debt:

<u>Level</u>	<u>Index Debt Ratings</u>	<u>Eurocurrency Spread</u>	<u>ABR Spread</u>	<u>Commitment Fee Rate</u>
Level I	≥ AA- by S&P or Aa3 by Moody’s	162.50	62.50	22.50
Level II	A+ by S&P or A1 by Moody’s and not Level I	175.00	75.00	23.50
Level III	A by S&P or A2 by Moody’s and not Level I or II	187.50	87.50	25.00
Level IV	A- by S&P or A3 by Moody’s and not Level I, II or III	200.00	100.00	27.50
Level V	< A- by S&P or A3 by Moody’s	212.50	112.50	28.50

For purposes of the foregoing, (i) if both Moody’s and S&P shall not have in effect a rating for the Index Debt (other than by reason of the circumstances referred to in the next-to-last sentence of this definition), then such rating agency shall be deemed to have established a rating for the Index Debt in Level V; (ii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall fall within different Levels, the Applicable Rate shall be based on the higher of the two ratings unless one of the two ratings is two or more Levels lower than the other, in which case the Applicable Rate shall be determined by reference to the Level next below that of the higher of the two ratings; and (iii) if the ratings established or deemed to have been established by Moody’s and S&P for the Index Debt shall be changed (other than as a result of a change in the rating system of Moody’s or S&P), such change shall be effective as of the date on which it is first announced by the applicable rating agency, irrespective of when notice of such change shall have been furnished by the Parent Borrower to the Administrative Agent and the Lenders pursuant to Section 5.01 or otherwise. Each change in the Applicable Rate shall apply during the period commencing on the effective date of such change

and ending on the date immediately preceding the effective date of the next such change. If the rating system of Moody's or S&P shall change, or if both such rating agencies shall cease to be in the business of rating corporate debt obligations, the Parent Borrower and the Lenders shall negotiate in good faith to amend this definition to reflect such changed rating system or the unavailability of ratings from such rating agencies, and, pending the effectiveness of any such amendment, the Applicable Rate shall be determined by reference to the rating most recently in effect prior to such change or cessation. If either (but not both) of Moody's and S&P shall cease to have in effect a rating (whether as a result of such agency ceasing to be in the business of rating corporate debt obligations or otherwise), the Applicable Rate shall be determined by reference to the rating of the other rating agency.

“Approved Fund” has the meaning assigned to such term in Section 10.04.

“Assignment and Assumption” means an assignment and assumption entered into by a Lender and an assignee (with the consent of any party whose consent is required by Section 10.04), and accepted by the Administrative Agent, in the form of Exhibit A or any other form approved by the Administrative Agent.

“Availability Period” means the period from and including the Effective Date to but excluding the earlier of the Maturity Date and the date of termination of the Commitments.

“Available Commitment” means, as to any Lender at any date of determination, an amount in dollars equal to the excess, if any, of (a) the amount of such Lender's Commitment in effect on such date over (b) the Revolving Credit Exposure of such Lender on such date.

“Bail-In Action” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“Bail-In Legislation” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“Bankruptcy Event” means, with respect to any Person, such Person becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment, *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof, *provided, further*, that such ownership interest does not result in or

provide such Person with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“Beneficial Ownership Certification” means a certification regarding beneficial ownership or control as required by the Beneficial Ownership Regulation.

“Beneficial Ownership Regulation” means 31 C.F.R. § 1010.230.

“Benefit Plan” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code, or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such “employee benefit plan” or “plan”.

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Blocking Regulation” has the meaning assigned to such term in Section 3.13.

“Borrower” means, as applicable, the Parent Borrower or the applicable Subsidiary Borrower.

“Borrower Qualified Keepwell Provider” means any Qualified Keepwell Provider that is a Borrower.

“Borrowing” means Loans of the same Type made, converted or continued on the same date and, in the case of Eurocurrency Loans, as to which a single Interest Period is in effect.

“Borrowing Request” means a request by the Parent Borrower for a Borrowing in accordance with Section 2.03.

“Business Day” means any day that is not a Saturday, Sunday or other day on which commercial banks in New York City are authorized or required by law to remain closed; provided that, when used in connection with a Eurocurrency Loan, the term “Business Day” shall also exclude (i) any day on which banks are not open for dealings in dollar deposits or deposits in the applicable Alternative Currency in the London interbank market, (ii) in the case of a Eurocurrency Loan denominated in Euros, any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System is not open for settlement of payment in Euros or (iii) in the case of a Eurocurrency Loan denominated in an Alternative Currency other than Euro, any day on which banks are not open for dealings in such Alternative Currency in the city which is the principal financial center of the country of issuance of the applicable Alternative Currency.

“Cash Pooling Arrangements” means physical and notional cash pooling arrangements entered into in the ordinary course of business among the Parent Borrower and/or

its Subsidiaries to provide cash management services, including treasury, depository, electronic funds transfer and other cash management arrangements.

“Change in Control” means the occurrence of any of the following:

(i) the sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the assets of the Parent Borrower to any “person” or “group” (as such terms are used in Sections 13(d)(3) and 14(d)(2) of the Securities Exchange Act of 1934 (“Act”)) other than Permitted Holders (as defined below);

(ii) any person or group is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Act, except that a person shall be deemed to have “beneficial ownership” of all shares that any such person has the right to acquire, whether such right is exercisable immediately or only after the passage of time), directly or indirectly, of more than 50 percent of the total voting power of the issued and outstanding Voting Stock of the Parent Borrower, including by way of merger, consolidation or otherwise; provided, however, that for purposes of this Agreement, the following acquisitions shall not constitute a Change in Control: (I) any acquisition by the Parent Borrower or (II) any acquisition by one or more of the Permitted Holders; or

(iii) during any period of 12 consecutive months, Present Directors and/or New Directors (as such terms are defined below) cease for any reason to constitute a majority of the Parent Borrower’s board of directors; or

(iv) the Parent Borrower ceases to beneficially own, directly or indirectly, and control, directly or indirectly, 100% of the issued and outstanding Equity Interests of any Subsidiary Borrower (including, without limitation, by means of any third party claiming a better right in the Equity Interests of a Swiss Borrower before a court in Switzerland).

The following terms have the meanings indicated: “Permitted Holders” shall mean, as of the date of determination: (A) any and all of Ralph Lauren (an individual), his spouse, his siblings and their spouses, and descendants of them (whether natural or adopted) (collectively, the “Lauren Group”); and (B) any trust established and maintained primarily for the benefit of any member of the Lauren Group and any entity controlled by any member of the Lauren Group. “Present Directors” shall mean individuals who on the Effective Date are members of the Parent Borrower’s board of directors. “New Directors” shall mean any directors of the board of directors of the Parent Borrower whose election as of or following the Effective Date by the Parent Borrower’s board of directors or whose nomination for election by the shareholders of the Parent Borrower was approved by a vote of a majority of the directors of the board of directors of the Parent Borrower who, at the time of such vote, were either Present Directors or New Directors but excluding any such individual whose initial assumption of office occurs solely as a result of an actual or threatened proxy contest with respect to the election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Parent Borrower’s board of directors.

“Change in Law” means (a) the adoption of any law, rule, treaty or regulation after the date of this Agreement, (b) any change after the date of this Agreement in any law, rule, treaty

or regulation or in the interpretation or application thereof by any Governmental Authority or (c) compliance by any Lender (or, for purposes of Section 2.13(b), by any office of such Lender from or at which Loans are made or are booked, as the case may be, in accordance with the terms of this Agreement) with any request, guideline or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement; provided, however, for purposes of this Agreement, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or in connection therewith or in implementation thereof and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case in clauses (x) and (y) be deemed to be a “Change in Law,” regardless of the date enacted, adopted or issued.

“Co-Documentation Agents” means ING Bank N.V., Dublin Branch, Deutsche Bank Securities Inc., Sumitomo Mitsui Banking Corporation and HSBC Bank USA, N.A., each in its capacity as co-documentation agents and its successors in such capacity.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“Commitment” means, with respect to each Lender, the commitment of such Lender to make Loans, expressed as an amount representing the maximum aggregate amount of such Lender’s Revolving Credit Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.07 or (b) reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to Section 10.04, *provided* that, at the Parent Borrower’s election, up to \$500,000,000 of the Lenders’ commitments hereunder may be denominated in an Alternative Currency. The initial amount of each Lender’s Commitment is set forth on Schedule 2.01 or in the Assignment and Assumption pursuant to which such Lender shall have assumed its Commitment, as applicable. The initial aggregate amount of the Lenders’ Commitments is \$500,000,000.

“Commodity Exchange Act” means the Commodity Exchange Act (7 U.S.C. § 1 et seq.), as amended from time to time, and any successor statute.

“Communications” has the meaning assigned to such term in Section 10.01(d).

“Connection Income Taxes” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“Consolidated Cash Balance” means, at any time, (a) the aggregate amount of cash (excluding cash in store registers and cash in transit between stores or between a store and a depository bank) and Permitted Investments, marketable securities, treasury bonds and bills, certificates of deposit and investments in money market funds, commercial paper and Permitted Investments, in each case, held or owned by (either directly or indirectly), credited to the account of or would otherwise be required to be reflected as an asset on the balance sheet of the Parent Borrower and its Subsidiaries *less* (b) the sum of (i) any restricted cash or Permitted Investments to pay royalty obligations, working interest obligations, suspense payments, severance taxes,

payroll, payroll taxes, other taxes, employee wage and benefit payments and trust and fiduciary obligations or other obligations of the Parent Borrower or any Subsidiary to third parties and for which the Parent Borrower or such Subsidiary has issued checks or has initiated wires or ACH transfers (or, in the Parent Borrower's discretion, will issue checks or initiate wires or ACH transfers within five (5) Business Days) in order to pay, (ii) other amounts for which the Parent Borrower or such Subsidiary has issued checks or has initiated wires or ACH transfers but have not yet been subtracted from the balance in the relevant account of the Parent Borrower or such Subsidiary and (iii) while and to the extent refundable, any cash or Permitted Investments of the Parent Borrower or any Subsidiaries constituting purchase price deposits held in escrow pursuant to a binding and enforceable purchase and sale agreement with a third party containing customary provisions regarding the payment and refunding of such deposits.

“Consolidated EBITDAR” means, for any period, Consolidated Net Income for such period plus, without duplication and to the extent reflected as a charge in the statement of such Consolidated Net Income for such period, the sum of (a) income tax expense, (b) interest expense, amortization or writeoff of debt discount and debt issuance costs and commissions, discounts and other fees and charges associated with Indebtedness (including the Loans), (c) depreciation and amortization expense, (d) amortization of intangibles (including, but not limited to, goodwill) and organization costs, (e) any extraordinary or non-recurring non-cash expenses or losses (including any noncash impairment of assets, and, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, non-cash losses on sales of assets outside of the ordinary course of business and including non-cash charges arising from the application of Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable)), (f) Consolidated Lease Expense, (g) charges incurred during such period in connection with restructuring or reorganization changes, including without limitation post-closing restructuring, reorganization and/or integration charges or costs, and (h) non-recurring fees and expenses relating to Permitted Acquisitions or other acquisitions of property or a series of related acquisitions of property, *provided* that for purposes of clause (g) and this clause (h) the aggregate amount of such charges, fees and expenses shall not exceed in any rolling four quarter period an amount equal to 20% of Consolidated EBITDAR for such period and minus, (x) to the extent included in the statement of such Consolidated Net Income for such period, the sum of (i) interest income, (ii) any extraordinary or non-recurring non-cash income or gains (including, whether or not otherwise includable as a separate item in the statement of such Consolidated Net Income for such period, gains on the sales of assets outside of the ordinary course of business) and (iii) income tax credits (to the extent not netted from income tax expense) and (y) any cash payments made during such period in respect of items described in clause (e) above subsequent to the fiscal quarter in which the relevant non-cash expenses or losses were reflected as a charge in the statement of Consolidated Net Income, all as determined on a consolidated basis in accordance with GAAP.

For the purposes of calculating Consolidated EBITDAR for any period of four consecutive fiscal quarters (each, a “Reference Period”) pursuant to any determination of the Consolidated Leverage Ratio, (i) if at any time during such Reference Period the Parent Borrower or any Subsidiary shall have made any Material Disposition, the Consolidated EBITDAR for such Reference Period shall be reduced by an amount equal to the Consolidated EBITDAR (if positive) attributable to the property that is the subject of such Material Disposition for such Reference

Period or increased by an amount equal to the Consolidated EBITDAR (if negative) attributable thereto for such Reference Period, and (ii) if during such Reference Period the Parent Borrower or any Subsidiary shall have made a Material Acquisition, Consolidated EBITDAR for such Reference Period shall be calculated after giving pro forma effect thereto (taking into account (A) such cost savings as may be determined by the Parent Borrower in a manner consistent with the evaluation performed by the Parent Borrower in deciding to make such Material Acquisition, as presented to the Parent Borrower's board of directors, *provided* that the Parent Borrower may take into account such cost savings only if it in good faith determines on the date of calculation that it is reasonable to expect that such cost savings will be implemented within 120 days following the date of such Material Acquisition (or in the case of any calculation made subsequent to such 120th day, that such cost savings have, in fact, been implemented) and (B) all transactions that are directly related to such Material Acquisition and are entered into in connection and substantially contemporaneously therewith) as if such Material Acquisition occurred on the first day of such Reference Period. As used in this definition, "Material Acquisition" means any acquisition of property or other assets or series of related acquisitions of property that (a) constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such licensee's rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates (the "Acquired Rights") or (iv) the acquisitions and licenses of intellectual property by the Parent Borrower and its Subsidiaries, and (b) involves the payment of consideration by the Parent Borrower and its Subsidiaries in excess of \$25,000,000; "Material Disposition" means any Disposition of property or series of related Dispositions of property that yields gross proceeds to the Parent Borrower or any of its Subsidiaries in excess of \$25,000,000. In making any calculation pursuant to this paragraph with respect to a Material Acquisition of a Person, business or rights for which quarterly financial statements are not available, the Parent Borrower shall base such calculation on the financial statements of such Person, business or rights for the then most recently completed period of 12 consecutive calendar months for which such financial statements are available and shall deem the contribution of such Person, business or rights to Consolidated EBITDAR for the period from the beginning of the applicable Reference Period to the date of such Material Acquisition to be equal to the product of (x) the number of days in such period divided by 365 multiplied by (y) the amount of Consolidated EBITDAR of such Person, business or rights for the 12-month period referred to above (calculated on the basis set forth in this definition). In making any calculation pursuant to this paragraph in connection with an acquisition of Acquired Rights to be followed by the granting of a new license of such Acquired Rights (or any rights derivative therefrom), effect may be given to such grant of such new license (as if it had occurred on the date of such acquisition) if, and only if, the Parent Borrower in good faith determines on the date of such calculation that it is reasonable to expect that such grant will be completed within 120 days following the date of such acquisition (or in the case of any calculation made subsequent to such 120th day, that such grant has, in fact, been completed).

"Consolidated Lease Expense" means, for any period, the aggregate "operating lease cost" (as such amount is determined in accordance with GAAP) included in the income statement reported in the Parent Borrower's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission for the quarter ended December 30, 2019 (and for fiscal

periods reported thereafter), associated with Operating Lease Obligations of the Parent Borrower and its Subsidiaries for each Operating Lease outstanding during such period. Such amount does not incorporate or include any amounts payable under the Finance Leases of the Parent Borrower and its Subsidiaries.

“Consolidated Leverage Ratio” means on the last day of any Fiscal Quarter, the ratio of (a) Adjusted Debt on such day to (b) Consolidated EBITDAR for the period of four consecutive Fiscal Quarters ending on such day.

“Consolidated Net Income” means for any period, the consolidated net income (or loss) of the Parent Borrower and its Subsidiaries, determined on a consolidated basis in accordance with GAAP; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Parent Borrower or is merged into or consolidated with the Parent Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Parent Borrower) in which the Parent Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Parent Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Parent Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Requirement of Law applicable to such Subsidiary.

“Consolidated Net Worth” means as of any date of determination thereof, the excess of (a) the aggregate consolidated net book value of the assets of the Parent Borrower and its Subsidiaries after all appropriate adjustments in accordance with GAAP (including, without limitation, reserves for doubtful receivables, obsolescence, depreciation and amortization) over (b) all of the aggregate liabilities of the Parent Borrower and its Subsidiaries, including all items which, in accordance with GAAP, would be included on the liability side of the balance sheet (other than Equity Interests, treasury stock, capital surplus and retained earnings), in each case determined on a consolidated basis (after eliminating all inter-company items) in accordance with GAAP; provided, however, that in calculating Consolidated Net Worth the effects of the Statement of Financial Accounting Standards No. 142 (or the corresponding Accounting Standards Codification Topic, as applicable) shall be disregarded.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Covered Entity” means any of the following:

- (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);
- (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Covered Party” has the meaning set forth in Section 10.17.

“Credit Party” means the Administrative Agent or any Lender.

“Default” means any event or condition which constitutes an Event of Default or which upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“Defaulting Lender” means any Lender that (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund all or any portion of its Loans or (ii) pay over to any other Credit Party any other amount required to be paid by it hereunder that is not subject to a good faith dispute, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Parent Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with all or any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by a Credit Party, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans, *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon such Credit Party’s receipt of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has become the subject of (A) a Bankruptcy Event or (B) a Bail-In Action.

“Disposition” means with respect to any property, any sale, lease, sale and leaseback, assignment, conveyance, transfer or other disposition thereof. The terms “Dispose” and “Disposed of” shall have correlative meanings.

“Dollar Equivalent” means, on any date of determination, with respect to any amount hereunder denominated in an Alternative Currency, the amount of dollars determined pursuant to Section 1.05 using the Exchange Rate with respect to such Alternative Currency at the time in effect under the provisions of such Section.

“dollars” or “\$” refers to lawful money of the United States of America.

“Domestic Subsidiary” means any Subsidiary organized under the laws of any jurisdiction within the United States of America.

“EEA Financial Institution” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

“EEA Member Country” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“EEA Resolution Authority” means any public administrative authority or any Person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

“Effective Date” means the date on which the conditions specified in Section 4.01 are satisfied (or waived in accordance with Section 10.02).

“Electronic Signature” means an electronic symbol, or process attached to, or associated with, a contract or other record and adopted by a Person with the intent to sign, authenticate or accept such contract or record.

“Electronic System” means any electronic system, including e-mail, e-fax, Intralinks®, ClearPar®, Debt Domain, Syndtrak and any other Internet or extranet-based site, whether such electronic system is owned, operated or hosted by the Administrative Agent and any of its Related Parties or any other Person, providing for access to data protected by passcodes or other security system.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Section 10.04(b)(ii) (subject to such consents, if any, as may be required under Section 10.04(b)).

“Eligible Contract Participant” means any entity that constitutes an “eligible contract participant” under the Commodity Exchange Act or any regulations promulgated thereunder.

“Environmental Laws” means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to the environment, preservation or reclamation of natural resources, or to human health and safety (insofar as such health and safety may be adversely affected by exposure to dangerous or harmful substances or environmental conditions), as have been, are, or in the future become, in effect.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Parent Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract,

agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person, and any warrants, options or other rights entitling the holder thereof to purchase or acquire any such equity interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with any Loan Party, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event”, as defined in Section 4043(c) of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which notice is waived); (b) with respect to any Plan the failure to satisfy the “minimum funding standard” (as defined in Section 412 of the Code or Section 302 of ERISA), whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by any Loan Party or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan under Section 4042 of ERISA; (f) the incurrence by any Loan Party or any of its ERISA Affiliates of any liability with respect to the withdrawal or partial withdrawal of any Borrower or any of its ERISA Affiliates from any Plan or Multiemployer Plan; or (g) the receipt by any Loan Party or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from any Loan Party or any ERISA Affiliate of any notice, concerning the imposition upon any Loan Party or any of its ERISA Affiliates of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, Insolvent.

“EU Bail-In Legislation Schedule” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor Person), as in effect from time to time.

“Euro” means the single currency of participating member states of the European Monetary Union.

“Eurocurrency”, when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning assigned to such term in Article VII.

“Excess Cash Amount” has the meaning assigned to such term in Section 2.09(d).

“Exchange Rate” means, on any day, with respect to any Alternative Currency, the rate determined by the Administrative Agent at which such Alternative Currency may be exchanged into dollars, as set forth at approximately 11:00 a.m., London time, on such day on the applicable Reuters World Spot Page. In the event that any such rate does not appear on any Reuters World Spot Page, the Exchange Rate shall be determined by reference to such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Parent Borrower for such purpose or, in the absence of such an agreement, such Exchange Rate shall instead be the arithmetic average of the spot rates of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternative Currency are then being conducted, at 11:00 a.m., local time, on such day for the purchase of the applicable Alternative Currency for delivery two Business Days later, *provided* that, if at the time of any such determination, for any reason, no such spot rate is being quoted, after consultation with the Parent Borrower, the Administrative Agent may use any other reasonable method it deems appropriate to determine such rate, and such determination shall be presumed correct absent manifest error.

“Exchange Rate Date” means, if on such date any outstanding Loan is denominated in an Alternative Currency, each of: (a) at least once during each calendar month, (b) if an Event of Default has occurred and is continuing, any Business Day designated as an Exchange Rate Date by the Administrative Agent in its sole discretion, and (c) each date (with such date to be reasonably determined by the Administrative Agent) that is on or about the date of a Borrowing Request or an Interest Election Request.

“Excluded Swap Obligation” means, with respect to any Guarantor, any Swap Obligation if, and to the extent that, and only for so long as, all or a portion of the guarantee of such Guarantor of, or the grant by such Guarantor of a security interest to secure, as applicable, such Swap Obligation (or any guarantee thereof) is or becomes illegal under the Commodity Exchange Act or any rule, regulation or order of the Commodity Futures Trading Commission (or the applicable or official interpretation of any thereof) by virtue of such Guarantor’s failure to constitute an Eligible Contract Participant at the time the guarantee of (or grant of such security interest by, as applicable) such Guarantor becomes or would become effective with respect to such Swap Obligation. If a Swap Obligation arises under a master agreement governing more than one Swap, such exclusion shall apply only to the portion of such Swap Obligation that is attributable to Swaps for which such guarantee or security interest is or becomes illegal.

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party under any Loan Document, (a) income or franchise taxes imposed on (or measured by) its net income by the United States of America, or by any other Governmental Authority as a result of a present or former connection between the Administrative Agent, any Lender or any other recipient of any payment to be made by any Loan Party under any Loan Document and the jurisdiction of the Governmental Authority imposing such tax or any political subdivision or taxing authority thereof or therein (other than any such connection arising solely from the Administrative Agent, any Lender or any other recipient of any payment to be made by any Loan Party under any Loan Document having executed, delivered or performed its obligations or received a payment under, or enforced, this Agreement or any other Loan Document), (b) any branch profits taxes imposed by the United States of America or any similar tax imposed by any

other jurisdiction described in clause (a) above, (c) in the case of a Non-U.S. Lender (other than an assignee pursuant to a request by the Borrower under Section 2.17(b)), any United States withholding tax that is imposed on amounts payable to such Non-U.S. Lender at the time such Non-U.S. Lender becomes a party to this Agreement (or designates a new lending office), except to the extent that such Non-U.S. Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts from the Parent Borrower with respect to such withholding tax pursuant to Section 2.15(a), (d) any withholding tax that is imposed on amounts payable to a Lender that is attributable to such Lender's failure to comply with Section 2.15(e) or (f), (e) any taxes assessed on a recipient under the laws of the Netherlands, if and to the extent such taxes become payable as a result of such recipient having a substantial interest (*aanmerkelijk belang*) as defined in the Dutch Income Tax Act (*Wet inkomstenbelasting 2001*) in a Loan Party that is resident in the Netherlands for tax purposes and (f) any United States withholding tax that is imposed by reason of FATCA.

“FATCA” means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

“Federal Funds Effective Rate” means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as the NYFRB shall set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as the effective federal funds rate; provided that if the Federal Funds Effective Rate as so determined would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.

“Federal Reserve Board” means the Board of Governors of the Federal Reserve System of the United States of America.

“Finance Lease” means any lease of property classified as a “finance lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

“Finance Lease Obligations” means, as applied to any Person, an obligation that is required to be accounted for as a Finance Lease (and not an Operating Lease) on both the balance sheet and income statement for financial reporting purposes in accordance with GAAP. At the time any determination thereof is to be made, the amount of the liability in respect of a Finance Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

“Financial Officer” means the chief financial officer, principal accounting officer, treasurer or controller of the Parent Borrower.

“Fiscal Quarter” means with respect to the Parent Borrower and its Subsidiaries, and with respect to any Fiscal Year, (a) each of the quarterly periods ending 13 calendar weeks,

26 calendar weeks, 39 calendar weeks and 52 or 53 calendar weeks, as the case may be, after the end of the prior Fiscal Year or (b) such other quarterly periods as the Parent Borrower shall adopt after giving prior written notice thereof to the Lenders.

“Fiscal Year” means with respect to the Parent Borrower and its Subsidiaries, (a) the 52- or 53-week annual period, as the case may be, ending on the Saturday nearest to March 31 of each calendar year or (b) such other fiscal year as the Parent Borrower shall adopt with the prior written consent of the Required Lenders (which consent shall not be unreasonably withheld). Any designation of a particular Fiscal Year by reference to a calendar year shall mean the Fiscal Year ending during such calendar year.

“Five-Year Credit Agreement” means that certain Credit Agreement, dated as of August 12, 2019, among Ralph Lauren Corporation, RL Finance B.V., Ralph Lauren Europe Sàrl, Ralph Lauren Asia Pacific Limited, the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent and the other parties party thereto, as in effect on the date hereof.

“Foreign Plan” means any employee benefit plan (within the meaning of Section 3(3) of ERISA, whether or not subject to ERISA) that is not subject to United States law and is maintained or contributed to by any Loan Party or any ERISA Affiliate.

“Foreign Plan Event” means, with respect to any Foreign Plan, (a) the failure to make or, if applicable, accrue in accordance with normal accounting practices, any employer or employee contributions required by applicable law or by the terms of such Foreign Plan, (b) the failure to register or loss of good standing with applicable regulatory authorities of any such Foreign Plan required to be registered, or (c) the failure of any Foreign Plan to comply with any material provisions of applicable law and regulations or with the material terms of such Foreign Plan.

“Foreign Subsidiary” means any Subsidiary which is not a Domestic Subsidiary.

“GAAP” means generally accepted accounting principles in the United States of America.

“Governmental Authority” means the government of the United States of America, any other nation or any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, state-owned or state-controlled entity, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including supranational bodies (such as the European Union or European Central Bank).

“Guarantee” of or by any Person (the “guarantor”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation of any other Person (the “primary obligor”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services

for the purpose of assuring the owner of such Indebtedness or other obligation of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness or obligation; provided, that the term Guarantee shall not include endorsements for collection or deposit in the ordinary course of business. For purposes of all calculations provided for in this Agreement, the amount of any Guarantee of any guarantor shall be deemed to be the lower of (x) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (y) the maximum amount for which such guarantor may be liable pursuant to the terms of the instrument embodying such Guarantee, unless such primary obligation and the maximum amount for which such guarantor may be liable are not stated or determinable, in which case the amount of such Guarantee shall be such guarantor's maximum reasonably anticipated liability in respect thereof as determined by the Parent Borrower in good faith.

“Guarantee Agreement” means the Guarantee Agreement to be executed and delivered by each Guarantor, substantially in the form of Exhibit C.

“Guarantor” means (a) with respect to both the Parent Borrower Obligations and the Subsidiary Obligations, each Domestic Subsidiary that becomes a party to the Guarantee Agreement on the Effective Date and each Domestic Subsidiary that, subsequent to the Effective Date, becomes a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) and (b) with respect to the Subsidiary Obligations only, the Parent Borrower.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any applicable Environmental Law.

“HKD Screen Rate” means, with respect to any Interest Period, the percentage rate per annum for deposits in Hong Kong Dollars for a period beginning on the first day of such Interest Period and ending on the last day of such Interest Period, displayed under the heading “HKAB HKD Interest Settlement Rates” on the Reuters Screen HKABHIBOR Page (or, in the event such rate does not appear on such Reuters page, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate as selected by the Administrative Agent from time to time in its reasonable discretion) as of 11:00 a.m. Hong Kong time two business days prior to the commencement of such Interest Period.

“Hong Kong Dollars” means the lawful currency of Hong Kong.

“IBA” has the meaning assigned to such term in Section 2.12.

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money or with respect to deposits or advances of any kind, (b) all

obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding accounts payable incurred in the ordinary course of business and any earnout obligations or similar deferred or contingent purchase price obligations not overdue or which do not appear as a liability on a balance sheet of such Person incurred in connection with any acquisition of property or series of related acquisitions of property that constitutes (i) assets comprising all or substantially all of a business or operating unit of a business, (ii) all or substantially all of the common stock or other Equity Interests of a Person or (iii) in any case where clauses (i) and (ii) above are inapplicable, the Acquired Rights), (e) all Indebtedness of others secured by any Lien on property owned or acquired by such Person (to the extent of such Person's interest in such property), whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Finance Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty, (i) all obligations, contingent or otherwise, of such Person in respect of bankers' acceptances and (j) all payment and performance obligations of every kind, nature and description of such Person under or in connection with Swap Agreements. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. For purposes of all calculations provided for in this Agreement, there shall be disregarded any Guarantee of any Person in respect of any Indebtedness of any other Person with which the accounts of such first Person are then required to be consolidated in accordance with GAAP. For the avoidance of doubt, any amounts available and not drawn under the Commitment shall be deemed not to be Indebtedness.

“Indemnified Taxes” means Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document.

“Indemnitee” has the meaning assigned to it in Section 10.03(b).

“Index Debt” means senior, unsecured, long-term indebtedness for borrowed money of the Parent Borrower that is not guaranteed by any other Person or subject to any other credit enhancement.

“Insolvent” means, with respect to any Multiemployer Plan, the condition that such Multiemployer Plan is insolvent within the meaning of Section 4245 of ERISA.

“Interest Election Request” means a request by the Parent Borrower to convert or continue a Borrowing in accordance with Section 2.06.

“Interest Payment Date” means (a) with respect to any ABR Loan, the last day of each March, June, September and December, beginning September 30, 2020, and (b) with respect to any Eurocurrency Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurocurrency Borrowing with an Interest Period of more

than three months' duration, each day prior to the last day of such Interest Period that occurs at intervals of three months' duration after the first day of such Interest Period.

“Interest Period” means with respect to any Eurocurrency Borrowing, the period commencing on the date of such Borrowing and ending on the numerically corresponding day in the calendar month that is one, two, three or six months thereafter, as the Parent Borrower may elect; provided, that (i) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day and (ii) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month of such Interest Period. For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and, in the case of a Borrowing, thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“Interpolated Rate” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate, or HKD Screen Rate, as applicable) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between: (a) the LIBO Screen Rate, or HKD Screen Rate, as applicable, for the longest period for which the LIBO Screen Rate, or HKD Screen Rate, as applicable, is available (for the applicable currency) that is shorter than the Impacted Interest Period; and (b) the LIBO Screen Rate, or HKD Screen Rate, as applicable, for the shortest period (for which that LIBO Screen Rate, or HKD Screen Rate, as applicable, is available for the applicable currency) that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” means, as applied to any Person, any direct or indirect purchase or other acquisition by such Person of Equity Interests or other securities of, or any assets constituting a business unit of, any other Person, or any direct or indirect loan, advance or capital contribution by such Person to any other Person. In computing the amount involved in any Investment at the time outstanding, (a) undistributed earnings of, and unpaid interest accrued in respect of Indebtedness owing by, such other Person shall not be included, (b) there shall not be deducted from the amounts invested in such other Person any amounts received as earnings (in the form of dividends, interest or otherwise) on such Investment or as loans from such other Person and (c) unrealized increases or decreases in value, or write-ups, write-downs or write-offs, of Investments in such other Person shall be disregarded.

“IRS” means the United States Internal Revenue Service.

“JPMorgan” means JPMorgan Chase Bank, N.A.

“Judgment Currency” has the meaning assigned to such term in Section 10.13(b).

“Lead Arrangers” means, individually or collectively, JPMorgan Chase Bank, N.A. and BofA Securities, Inc., in their capacity as lead arrangers, and each of their successors in such capacity.

“Lenders” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto pursuant to an Assignment and Assumption, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

“LIBO Rate” means, with respect to any Eurocurrency Borrowing for any applicable currency and for any Interest Period, the LIBO Screen Rate at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; provided that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “Impacted Interest Period”) with respect to the applicable currency then the LIBO Rate shall be the Interpolated Rate.

“LIBO Screen Rate” means, for any Interest Period, (i) with respect to any Eurocurrency Borrowing for any applicable currency (other than Hong Kong Dollars) and for any Interest Period, the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate for the relevant currency) for a period equal in length to such Interest Period as displayed on such day and time on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion), and (ii) with respect to any Eurocurrency Borrowing denominated in Hong Kong Dollars and for any Interest Period with respect thereto, the HKD Screen Rate; provided that if the LIBO Screen Rate as determined pursuant to clauses (i) and (ii) of this definition would be less than 0.75%, the LIBO Screen Rate shall be deemed to 0.75% for the purposes of this Agreement.

“Lien” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset, (b) the interest of a vendor or a lessor under any conditional sale agreement or title retention agreement (or any Finance Lease Obligations having substantially the same economic effect as any of the foregoing, but in any event not in respect of any Operating Lease Obligations) relating to such asset and (c) in the case of securities, any purchase option, call or similar right of a third party with respect to such securities.

“Liquidity” means the sum of the aggregate amount of Unrestricted Cash of the Parent Borrower and its Subsidiaries plus the Available Commitment under and as defined in the Five-Year Credit Agreement (but excluding, for the avoidance of doubt, the Available Commitment hereunder).

“Loan Documents” means this Agreement and the Guarantee Agreement.

“Loan Party” means the Borrowers and the Guarantors.

“Loans” means the loans made by the Lenders to the Borrowers pursuant to this Agreement.

“Margin Stock” means margin stock within the meaning of Regulations T, U and X, as applicable.

“Material Adverse Effect” means a material adverse effect on (a) the business, operations, property or condition (financial or otherwise) of the Parent Borrower and the Subsidiaries taken as a whole or (b) the rights and remedies, taken as a whole, of the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loans), or obligations in respect of one or more Swap Agreements, of any one or more of the Parent Borrower and its Subsidiaries in an aggregate principal amount exceeding \$50,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations of the Parent Borrower or any Subsidiary in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that the Parent Borrower or such Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Maturity Date” means (x) if the Springing Maturity Condition does not occur, May 25, 2021 and (y) if the Springing Maturity Condition occurs, the Springing Maturity Date; *provided* that, if such day is not a Business Day, the Maturity Date shall be the Business Day immediately succeeding such day.

“Moody’s” means Moody’s Investors Service, Inc.

“Multiemployer Plan” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA, contributed to or required to be contributed to by any Loan Party or its ERISA Affiliates.

“Net Income” (“Net Loss”) means with respect to any Person or group of Persons, as the case may be, for any fiscal period, the difference between (a) gross revenues of such Person or group of Persons and (b) all costs, expenses and other charges incurred in connection with the generation of such revenue (including, without limitation, taxes on income), determined on a consolidated or combined basis, as the case may be, and in accordance with GAAP.

“Non-U.S. Lender” means any Lender that is not a U.S. Person.

“NYFRB” means the Federal Reserve Bank of New York.

“NYFRB Rate” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such day (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates are published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a federal funds broker of recognized standing selected by it in its reasonable discretion; *provided, further*, that if any of the aforesaid rates as so determined be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“Operating Lease” means any lease of property classified as an “operating lease” on both the balance sheet and income statement for financial reporting purposes under GAAP.

“Operating Lease Obligations” means, as applied to any Person, an obligation that is required to be accounted for as an Operating Lease (and not a Finance Lease). At the time any determination thereof is to be made, the amount of the liability in respect of an Operating Lease would be the amount required to be reflected as a liability on such balance sheet in accordance with GAAP.

“Other Connection Taxes” means with respect to any Lender, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means any and all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made hereunder or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.17).

“Outside Date” means June 15, 2020 provided that if, on or prior to June 15, 2020, the Parent Borrower has launched and priced Additional Specified Notes Indebtedness (as defined in the Five-Year Credit Agreement), but such Additional Specified Notes Indebtedness has not been issued and settled, the Outside Date shall instead be June 17, 2020.

“Overnight Bank Funding Rate” means, for any day, the rate comprised of both overnight federal funds and overnight Eurocurrency borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on its public website from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“Parent” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a subsidiary.

“Parent Borrower” means Ralph Lauren Corporation, a Delaware corporation.

“Parent Borrower Obligations” means the unpaid principal of and interest on the Loans made to and reimbursement obligations of the Parent Borrower (including, without limitation, interest accruing after the maturity of the Loans made to and reimbursement obligations of the Parent Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to the Parent Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Parent Borrower to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or

contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses (including all fees, charges and disbursements of counsel to the Administrative Agent or to any Lender that are required to be paid by the Parent Borrower pursuant hereto) or otherwise.

“Participant” has the meaning set forth in Section 10.04(c)(i).

“Participant Register” has the meaning set forth in Section 10.04(c)(i).

“Patriot Act” has the meaning assigned to such term in Section 10.16.

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Permitted Acquisition” means any acquisition (in one transaction or a series of related transactions) by the Parent Borrower or any Subsidiary, on or after the Effective Date (whether effected through a purchase of Equity Interests or assets or through a merger, consolidation or amalgamation), of (i) another Person including the equity interest of any Person in which the Borrower or any Subsidiary owns an equity interest, (ii) the assets constituting all or substantially all of a business or operating business unit of another Person, (iii) in any case where clauses (i) and (ii) above are inapplicable, the rights of any licensee (including by means of the termination of such licensee’s rights under such license) under a trademark license to such licensee from the Parent Borrower or any of its Affiliates or (iv) intellectual property or licenses of intellectual property, *provided that*:

(a) the assets so acquired or, as the case may be, the assets of the Person so acquired shall be in a Related Line of Business;

(b) no Default shall have occurred and be continuing at the time thereof or would result therefrom;

(c) such acquisition shall be effected in such manner so that the acquired Equity Interests, assets or rights are owned either by the Parent Borrower or a Subsidiary and, if effected by merger, consolidation or amalgamation, the continuing, surviving or resulting entity shall be the Parent Borrower or a Subsidiary, *provided that*, nothing in this clause shall be deemed to limit the ability of the Parent Borrower or any Subsidiary to grant to a different licensee any acquired license rights described in clause (iii) above (or any rights derivative therefrom); and

(d) the Parent Borrower and its Subsidiaries shall be in compliance, on a pro forma basis after giving effect to such acquisition, with the covenant contained in Section 6.07 recomputed as at the last day of the most recently ended fiscal quarter of the Parent Borrower for which financial statements are available, as if such acquisition had occurred on the first day of each relevant period for testing such compliance.

“Permitted Encumbrances” means:

- (a) Liens imposed by law for taxes and duties, assessments, governmental charges or levies that are not yet due or are being contested in compliance with Section 5.04;
- (b) landlords, carriers’, warehousemen’s, mechanics’, shippers’, materialmen’s, repairmen’s and other like Liens imposed by law, arising in the ordinary course of business and securing obligations that are not overdue by more than 30 days or are being contested in compliance with Section 5.04;
- (c) pledges and deposits made in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other social security laws or regulations, and pledges and deposits securing liability to insurance carriers under insurance or self-insurance arrangements;
- (d) pledges and deposits to secure the performance of tenders, bids, trade contracts, leases, public or statutory obligations, warranty requirements, surety and appeal bonds, bonds posted in connection with actions, suits or proceedings, performance and bid bonds and other obligations of a like nature, in each case in the ordinary course of business;
- (e) Liens incurred in the ordinary course of business in connection with the sale, lease, transfer or other disposition of any credit card receivables of the Parent Borrower or any of its Subsidiaries;
- (f) judgment, attachment or other similar liens in respect of judgments that do not constitute an Event of Default under clause (k) of Article VII;
- (g) easements, zoning restrictions, restrictive covenants, encroachments, rights-of-way and similar encumbrances on real property imposed by law or arising in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the affected property or interfere with the ordinary conduct of business of the Parent Borrower or any Subsidiary; and
- (h) possessory Liens in favor of brokers and dealers arising in connection with the acquisition or disposition of Permitted Investments;

provided that the term “Permitted Encumbrances” shall not include any Lien securing Indebtedness.

“Permitted Investments” means:

- (a) direct obligations of, or obligations the principal of and interest on which are directly and fully guaranteed or insured by, the United States of America (or by any agency thereof to the extent such obligations are backed by the full faith and credit of the United States of America);
- (b) investments in commercial paper having, at such date of acquisition, a credit rating of at least A-2 from S&P or P-2 from Moody’s;

(c) investments in certificates of deposit, eurocurrency time deposits, banker's acceptances and time deposits maturing within three years from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any Lender or any commercial bank which has a combined capital and surplus and undivided profits of not less than \$100,000,000;

(d) repurchase agreements with a term of not more than 180 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above;

(e) securities with maturities of three years or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth or territory, political subdivision, taxing authority or foreign government (as the case may be) are rated, at such date of acquisition, at least A- by S&P or A3 by Moody's;

(f) securities with maturities of three years or less from the date of acquisition backed by standby letters of credit issued by any Lender or any commercial bank satisfying the requirements of clause (c) of this definition;

(g) shares of money market funds that (i) comply with the criteria set forth in (a) Securities and Exchange Commission Rule 2a-7 under the Investment Company Act of 1940, as amended or (b) Securities and Exchange Commission Rule 3c-7 under the Investment Company Act of 1940, as amended and (ii) have portfolio assets of at least (x) in the case of funds that invest exclusively in assets satisfying the requirements of clause (a) of this definition, \$250,000,000 and (y) in all other cases, \$500,000,000;

(h) in the case of investments by any Foreign Subsidiary, obligations of a credit quality and maturity comparable to that of the items referred to in clauses (a) through (g) above that are available in local markets; and

(i) corporate debt obligations with a Moody's rating of at least A3 or an S&P rating of at least A-, or their equivalent, as follows:

(i) corporate notes and bonds; and

(ii) medium term notes.

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Plan" means any employee pension benefit plan (within the meaning of Section 3(2) of ERISA, but not including any Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which any Loan Party or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an "employer" (as defined in Section 3(5) of ERISA).

“Plan Asset Regulations” means 29 CFR § 2510.3-101 *et seq.*, as modified by Section 3(42) of ERISA, as amended from time to time.

“Prime Rate” means the rate of interest last quoted by The Wall Street Journal as the “Prime Rate” in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the “bank prime loan” rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent in its reasonable discretion) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent in its reasonable discretion). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

“Priority Indebtedness” means (a) Indebtedness of the Parent Borrower or any Subsidiary (other than that described in Section 6.01(e)) secured by any Lien on any asset(s) of the Parent Borrower or any Subsidiary and (b) Indebtedness of any Subsidiary which is not a Guarantor, in each case owing to a Person other than the Parent Borrower or any Subsidiary.

“PTE” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

“QFC Credit Support” has the meaning assigned to it in Section 10.17.

“Qualified Keepwell Provider” means, in respect of any Swap Obligation, each Loan Party (other than any Loan Party that is a Foreign Subsidiary of the Parent Borrower) that, at all times during the Swap Guarantee Eligibility Period, has total assets exceeding \$10,000,000 or otherwise constitutes an Eligible Contract Participant and can cause another person to qualify as an Eligible Contract Participant with respect to such Swap Obligation at such time by entering into a keepwell pursuant to section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

“Register” has the meaning set forth in Section 10.04(b)(iv).

“Regulation D” means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation T” means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation U” means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Regulation X” means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

“Related Line of Business” means: (a) any line of business in which the Parent Borrower or any of its Subsidiaries is engaged as of, or immediately prior to, the Effective Date, (b) any wholesale, retail or other distribution of products or services under any domestic or foreign patent, trademark, service mark, trade name, copyright or license or (c) any similar, ancillary or related business and any business which provides a service and/or supplies products in connection with any business described in clause (a) or (b) above.

“Related Parties” means, with respect to any specified Person, such Person’s Affiliates and the respective directors, officers, employees, agents and advisors of such Person and such Person’s Affiliates.

“Reportable Event” means any “reportable event,” as defined in Section 4043(c) of ERISA or the regulations issued thereunder, with respect to a Plan, other than those events as to which notice is waived pursuant to DOL Regulation Section 4043 as in effect on the date hereof (no matter how such notice requirement may be changed in the future).

“Required Lenders” means, subject to Section 2.19(b), at any time, Lenders having Revolving Credit Exposures and unused Commitments representing more than 50% of the sum of the total Revolving Credit Exposures and unused Commitments at such time.

“Requirement of Law” means, as to any Person, the Articles or Certificate of Incorporation and By-Laws, Articles or Certificate of Formation and Operating Agreement, or Certificate of Partnership or partnership agreement or other organizational or governing documents of such Person, and any law, treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Resolution Authority” means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in the Parent Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interests in the Parent Borrower or any Subsidiary or any option, warrant or other right to acquire any such Equity Interests in the Parent Borrower or any Subsidiary.

“Revolving Credit Exposure” means, with respect to any Lender at any time, the Dollar Equivalent of the sum of the outstanding principal amount of such Lender’s Revolving Loans at such time.

“Revolving Loan” means a Loan made pursuant to Section 2.03.

“S&P” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business.

“Sanctioned Country” means, at any time, a country, region or territory which is itself the subject or target of any Sanctions (at the time of this Agreement, Crimea, Cuba, Iran, North Korea and Syria).

“Sanctioned Person” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State, the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority, (b) any Person operating, organized or resident in a Sanctioned Country, (c) any government that is itself the subject or target of Sanctions or (d) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (a), (b) or (c), or (e) any Person otherwise the subject of any Sanctions.

“Sanctions” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, or (b) the United Nations Security Council, the European Union, any European Union member state, Her Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“Specified Cash Management Agreement” means any agreement providing for treasury, depository, purchasing card, credit card or cash management services, including in connection with any automated clearing house transfers of funds or any similar transactions between the Parent Borrower or any of the Subsidiary Borrowers and any Lender or affiliate thereof.

“Specified Swap Agreement” means any Swap Agreement in respect of interest rates, currency exchange rates or commodity prices entered into by the Parent Borrower or any of the Subsidiary Borrowers and any Person that is a Lender or an affiliate of a Lender at the time such Swap Agreement is entered into.

“Springing Maturity Condition” means that, to the extent the Maturity Date has not occurred prior to such time, the Parent Borrower or any Subsidiary shall issue one or more series of senior notes, whether issued in a public offering, Rule 144A, private placement or otherwise (the date of such issuance, the “Springing Maturity Date”), either (x) at any time after the 2020 Senior Notes have been prepaid, redeemed, repurchased, defeased or otherwise satisfied in full or (y) in an amount in excess of the amount necessary to refinance the 2020 Senior Notes (including fees and expenses payable in connection with such refinancing).

“Springing Maturity Date” has the meaning set forth in the definition of “Springing Maturity Condition”.

“Statutory Reserve Rate” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentage (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Federal Reserve Board to which the Administrative Agent is subject with respect to the Adjusted LIBO Rate, for eurocurrency funding

(currently referred to as “Eurocurrency liabilities” in Regulation D). Such reserve percentage shall include those imposed pursuant to Regulation D. Eurocurrency Loans shall be deemed to constitute eurocurrency funding and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under Regulation D or any comparable regulation. The Statutory Reserve Rate shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“subsidiary” means, with respect to any Person (the “parent”) at any date, any corporation, limited liability company, partnership, association or other Person the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP as of such date, as well as any other corporation, limited liability company, partnership, association or other Person (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, directly or indirectly, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, directly or indirectly, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“Subsidiary” means any subsidiary of the Parent Borrower.

“Subsidiary Borrower” means, as applicable, RL Finance B.V., a private company with limited liability organized under the laws of the Netherlands, Ralph Lauren Europe Sàrl (*société à responsabilité limitée*), a limited liability company organized under the laws of Switzerland, or Ralph Lauren Asia Pacific Limited, a limited liability company organized under the laws of Hong Kong.

“Subsidiary Obligations” means the unpaid principal of and interest on the Loans made to and reimbursement obligations of each Subsidiary Borrower (including, without limitation, interest accruing after the maturity of the Loans made to and reimbursement obligations of such Subsidiary Borrower and interest accruing after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding, relating to such Subsidiary Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding) and all other obligations and liabilities of the Subsidiary Borrowers to the Administrative Agent or to any Lender (or, in the case of Specified Swap Agreements and Specified Cash Management Agreements, any affiliate of any Lender), whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with, this Agreement, any other Loan Document, any Specified Swap Agreement, any Specified Cash Management Agreement, any guarantee thereof or any other document made, delivered or given in connection herewith or therewith, whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise; provided, that for purposes of determining the obligations of any Guarantor under this Agreement and the Guarantee Agreement, the definition of “Subsidiary Obligations” shall not create any guarantee by any Guarantor of any Excluded Swap Obligations of such Guarantor.

“Supported QFC” has the meaning set forth in Section 10.17.

“Swap” means any agreement, contract, or transaction that constitutes a “swap” within the meaning of section 1a(47) of the Commodity Exchange Act.

“Swap Agreement” means any agreement with respect to any swap, forward, future or derivative transaction or option, cap or collar agreements or similar agreement involving, or settled by reference to, one or more interest or exchange rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; provided that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of the Parent Borrower or the Subsidiaries shall be a Swap Agreement.

“Swap Guarantee Eligibility Period” means, with respect to a Guarantor and the relevant Swap Obligation, the period from and including the date on which the relevant guarantee (or grant of the relevant security interest, as applicable) became effective with respect to such Swap Obligation until the date on which such guarantee (or grant of the relevant security interest, as applicable) is no longer in effect. For the avoidance of doubt, the Swap Guarantee Eligibility Period shall commence on the date of the execution of a Swap if the corresponding guarantee (or grant of security interest) is then in effect, and otherwise it shall commence on the date of execution and delivery of the relevant guarantee (or grant of security interest) unless the guarantee (or relevant collateral agreement or pledge documentation, as applicable) specifies a subsequent effective date.

“Swap Obligation” means, with respect to any Person, any obligation to pay or perform under any Swap.

“Swiss 10-Non-Bank Rule” means the rule that the aggregate number of creditors (within the meaning of the Swiss Guidelines) (including the Lenders) of a Swiss Borrower under this Agreement that are not Swiss Qualifying Banks must not at any time exceed 10, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss 20-Non-Bank Rule” means the rule that (without duplication) the aggregate number of lenders (including the Lenders), other than Swiss Qualifying Banks, of a Swiss Borrower under all its outstanding debt relevant for classification as debenture (*Kassenobligation*) (including debt arising under this Agreement), facilities and/or private placements) must not at any time exceed 20, in each case in accordance with the meaning of the Swiss Guidelines or the applicable legislation or explanatory notes addressing the same issues that are in force at such time.

“Swiss Borrower” means, for purposes of Swiss Withholding Tax, a Borrower that is organized under the laws of Switzerland or which is treated as resident in Switzerland for Swiss Withholding Tax purposes.

“Swiss Guidelines” means all relevant guidelines or explanatory notes issued by the Swiss Federal Tax Administration as amended, replaced or newly issued from time to time, including the established practice of the Swiss Federal Tax Administration or as substituted or superseded and overruled by any law, statute, ordinance, court decision, regulation or the like as in force from time to time.

“Swiss Loan Party” means a Swiss Borrower and each Loan Party that is organized under the laws of Switzerland (each, a “Swiss Loan Party”).

“Swiss Non-Bank Rules” means the Swiss 10-Non-Bank Rule and the Swiss 20-Non-Bank Rule.

“Swiss Permitted Non-Qualifying Banks” means, in aggregate, up to 10 Lenders which are not, in each case, a Swiss Qualifying Bank; and “Swiss Permitted Non-Qualifying Bank” means one of them.

“Swiss Qualifying Bank” means (a) any bank as defined in the Swiss Federal Code for Banks and Savings Banks dated 8 November 1934 (*Bundesgesetz über die Banken und Sparkassen*) as amended from time to time; and (b) a person or entity which effectively conducts banking activities with its own infrastructure and staff as its principal business purpose and which has a banking license in full force and effect issued in accordance with the banking laws in force in its jurisdiction of incorporation, or if acting through a branch, issued in accordance with the banking laws in the jurisdiction of such branch, all and in each case in accordance with the Swiss Guidelines.

“Swiss Withholding Tax” means the tax imposed based on the Swiss Federal Act on Withholding Tax of 13 October 1965 (*Bundesgesetz über die Verrechnungssteuer vom 13. Oktober 1965, SR 642.21*), as amended from time to time together with the related ordinances, regulations and guidelines.

“Switzerland” means the Swiss Confederation.

“Syndication Agent” means Bank of America, N.A., in its capacity as syndication agent, and its successors in such capacity.

“Taxes” means any and all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees, or other charges imposed by any Governmental Authority, including interest, additions to tax or penalties applicable thereto.

“Transactions” means the execution, delivery and performance by the Borrowers of this Agreement and by the Guarantors of the Guarantee Agreement, the borrowing of Loans, the use of the proceeds thereof.

“Type”, when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.

“UK Financial Institution” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“UK Resolution Authority” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“Unrestricted Cash” means, with respect to any Person, the cash and Permitted Investments of such Person on a consolidated basis that are not treated as restricted under GAAP.

“U.S. Person” means a “United States person” within the meaning of Section 7701(a)(30) of the Code.

“U.S. Special Resolution Regimes” has the meaning set forth in Section 10.17.

“U.S. Tax Compliance Certificate” has the meaning assigned to such term in Section 2.15(f).

“Voting Stock” means stock of any class or classes (however designated), or other Equity Interests, of any Person, the holders of which are at the time entitled, as such holders, to vote for the election of the directors or other governing body of the Person involved, whether or not the right so to vote exists by reason of the happening of a contingency.

“Withdrawal Liability” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA.

“Write-Down and Conversion Powers” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

“Yen” means the lawful currency of Japan.

SECTION 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans may be classified and referred to by Type (e.g., a “Eurocurrency Loan”) or currency (e.g., an “Alternative Currency Loan”). Borrowings also may be classified and referred to by Type (e.g., a “Eurocurrency Borrowing”) or currency (e.g., an “Alternative Currency Borrowing”).

SECTION 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (c) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law, rule or regulation herein shall, unless otherwise specified, refer to such law, rule or regulation as amended, modified or supplemented from time to time and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

SECTION 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; provided that, notwithstanding anything to the contrary herein, all accounting or financial terms used herein shall be construed, and all financial computations pursuant hereto shall be made, without giving effect to any election under Statement of Financial Accounting Standards 159 (or any other Financial Accounting Standard or the corresponding Accounting Standards Codification Topic, as applicable, having a similar effect); provided, further that, if the Parent Borrower notifies the Administrative Agent that the Parent Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Parent Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Without limiting the foregoing, and for the avoidance of doubt, if such a notice is given regarding a change in GAAP after such change is adopted but prior to its becoming effective, then the Parent Borrower and the Administrative Agent shall, acting reasonably and in good faith, negotiate an amendment to the provisions of this Agreement affected by such change in GAAP to preserve the original intent of such provisions in light of

such change (subject to the approval of the Required Lenders), which amendment shall take effect when such change in GAAP becomes effective.

SECTION 1.05. Exchange Rates. (a) For purposes of calculating the Dollar Equivalent of the principal amount of any Loan denominated in an Alternative Currency, the Administrative Agent shall determine the Exchange Rate as of the applicable Exchange Rate Date with respect to each Alternative Currency in which any requested or outstanding Loan is denominated and shall apply such Exchange Rate to determine such amount (in each case after giving effect to any Loan to be made or repaid on or prior to the applicable date for such calculation).

(b) For purposes of (i) determining the amount of Indebtedness incurred, outstanding or proposed to be incurred or outstanding under Section 6.01 (but excluding, for the avoidance of doubt, any calculation of Consolidated Net Worth or Consolidated EBITDAR), (ii) determining the amount of obligations secured by Liens incurred, outstanding or proposed to be incurred or outstanding under Section 6.02, or (iii) determining the amount of Material Indebtedness, the net assets of a Person or judgments outstanding under paragraphs (f), (g), (h), (i), (j) or (k) of Article VII, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than dollars shall be translated into dollars at the Exchange Rate on the applicable date, *provided* that no Default shall arise as a result of any limitation set forth in dollars in Section 6.01 or 6.02 being exceeded solely as a result of changes in Exchange Rates from those rates applicable at the time or times Indebtedness or obligations secured by Liens were initially consummated or acquired in reliance on the exceptions under such Sections.

SECTION 1.06. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized and acquired on the first date of its existence by the holders of its Equity Interests at such time.

SECTION 1.07. Lenders' Status. Each Lender hereunder confirms as of the date hereof that it is a Swiss Qualifying Bank or counts as (only) one Swiss Permitted Non-Qualifying Bank. Each Lender which becomes a party to this Agreement after the date of this Agreement shall indicate, in the Assignment and Assumption or the New Lender Supplement whether it is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank. If a Lender does not declare its status as a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank or declares its status in that regard to be unknown, such Lender shall be treated as a Lender which is not a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank.

ARTICLE II

The Credits

SECTION 2.01. Commitments. Subject to the terms and conditions set forth herein, each Lender severally agrees to make Loans in dollars or an Alternative Currency to the Borrowers from time to time during the Availability Period in an aggregate principal amount that

will not result in such Lender's Revolving Credit Exposure exceeding such Lender's Commitment. Within the foregoing limits and subject to the terms and conditions set forth herein, each Borrower may borrow, prepay and reborrow Revolving Loans. The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

SECTION 2.02. Loans and Borrowings. (a) Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; provided that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurocurrency Loans as the Parent Borrower may request on its own behalf or on behalf of any other Borrower in accordance herewith. Each Lender at its option may make any Eurocurrency Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the applicable Borrower to repay such Loan in accordance with the terms of this Agreement; and provided, further, that no such option may be exercised by any Lender if, immediately after giving effect thereto, amounts would become payable by a Loan Party under Section 2.13 or 2.15 that are in excess of those that would be payable under such Section if such option were not exercised.

(c) At the commencement of each Interest Period for any Eurocurrency Borrowing, such Borrowing shall be in an aggregate amount that is (i) in the case of a Eurocurrency Borrowing denominated in dollars, an integral multiple of \$500,000 and not less than \$5,000,000 and (ii) in the case of an Alternative Currency Borrowing, the Dollar Equivalent of an integral multiple of \$500,000 and not less than the Dollar Equivalent of \$5,000,000. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$500,000 and not less than \$500,000; provided that an ABR Borrowing may be in an aggregate amount that is equal to the entire unused balance of the total Commitments. Borrowings of more than one Type may be outstanding at the same time; provided that there shall not at any time be more than a total of 15 Eurocurrency Borrowings outstanding.

(d) Notwithstanding any other provision of this Agreement, no Borrower shall be entitled to request, or to elect to convert or continue, any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date.

(e) Each Lender may, at its option, make any Loan available to any Subsidiary Borrower by causing any foreign or domestic branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not increase the costs to such Subsidiary Borrower with respect to such Loan or affect the obligation of such Subsidiary Borrower to repay such Loan in accordance with the terms of this Agreement.

SECTION 2.03. Requests for Borrowings. To request a Loan, the Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent of such request by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission to the Administrative Agent of a written Borrowing Request in a form approved by the Administrative Agent and signed by the Parent Borrower (a) in the case of a Eurocurrency Borrowing denominated in dollars, not later than 11:00 a.m., New York City time, three Business Days before the date of the proposed Borrowing, (b) in the case of a Eurocurrency Borrowing denominated in an Alternative Currency, not later than 11:00 a.m., New York City time, four Business Days before the date of the proposed Borrowing, or (c) in the case of an ABR Borrowing, not later than 1:00 p.m., New York City time, on the date of the proposed Borrowing. Each such Borrowing Request shall be irrevocable and shall specify the following information in compliance with Section 2.02:

- (i) the Borrower of the requested Borrowing;
- (ii) the aggregate amount of such Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing;
- (v) in the case of a Eurocurrency Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (vi) in the case of a Eurocurrency Borrowing, the currency in which such Borrowing is to be denominated;
and
- (vii) the location and number of the applicable Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.05.

If no election as to the Type of Borrowing is specified, then the requested Borrowing (i) if such Borrowing is to be denominated in dollars, shall be an ABR Borrowing and (ii) if such Borrowing is to be denominated in an Alternative Currency, shall be a Eurocurrency Borrowing. If no election as to the currency of the requested Borrowing is specified, then the requested Borrowing shall be denominated in dollars. If no Interest Period is specified with respect to any requested Eurocurrency Borrowing, then the Parent Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section, the Administrative Agent shall advise each Lender of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

SECTION 2.04. [Reserved].

SECTION 2.05. Funding of Borrowings. (a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds by 12:00 noon., New York City time, to the account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; provided that if an ABR Borrowing is requested for disbursement on the same day after 11:00 a.m., New York time, then

each Lender shall make the Loan to be made by it hereunder in such manner by 3:00 p.m., New York City time. The Administrative Agent will make such Loans available to the applicable Borrower by promptly crediting the amounts so received, in like funds, to an account of the applicable Borrower maintained with the Administrative Agent and designated by the Parent Borrower in the applicable Borrowing Request.

(a) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed time of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available at such time in accordance with paragraph (a) of this Section and may, in reliance upon such assumption, make available to the applicable Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the applicable Lender agrees to pay to the Administrative Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the applicable Borrower to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing. If such Lender's share of such Borrowing is not made available to the Administrative Agent by such Lender within three Business Days after the date such amount is made available to the applicable Borrower, the Administrative Agent shall promptly notify the Parent Borrower and any other applicable Borrower of such failure and shall also be entitled to recover such amount from the applicable Borrower, on demand, with interest thereon at the rate per annum applicable to ABR Loans hereunder accruing from the date of such Borrowing. If the Parent Borrower or the applicable Borrower shall pay to the Administrative Agent such corresponding amount, the Parent Borrower and such applicable Borrower shall have no further obligations to such Lender with respect to such amount.

SECTION 2.06. Interest Elections. (a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request and, in the case of a Eurocurrency Borrowing, shall have an initial Interest Period as specified in such Borrowing Request. Thereafter, the Parent Borrower (on its own behalf or on behalf of any other Borrower) may elect to convert such Borrowing (i) in the case of a Eurocurrency Borrowing denominated in dollars, to an ABR Borrowing; or (ii) in the case of an ABR Borrowing, to a Eurocurrency Borrowing denominated in dollars or to continue such Borrowing in the same currency and, in the case of a Eurocurrency Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Parent Borrower (on behalf of itself or any other Borrower) may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion shall be considered a separate Borrowing.

(b) To make an election pursuant to this Section, the Parent Borrower (on its own behalf or on behalf of another Borrower) shall notify the Administrative Agent of such election by hand delivery, telecopy or electronic transmission (pursuant to procedures approved by the Administrative Agent) to the Administrative Agent of a written Interest Election Request in a form approved by the Administrative Agent and signed by the Parent Borrower by the time that a

Borrowing Request would be required under Section 2.03 if the Parent Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such Interest Election Request shall be irrevocable.

(c) Each Interest Election Request shall specify the following information in compliance with Section 2.02:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurocurrency Borrowing; and

(iv) if the resulting Borrowing is a Eurocurrency Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period".

If any such Interest Election Request requests a Eurocurrency Borrowing but does not specify an Interest Period, then the Parent Borrower (on its own behalf or on behalf of another Borrower) shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request, the Administrative Agent shall advise each Lender of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Parent Borrower (on its own behalf or on behalf of another Borrower) fails to deliver a timely Interest Election Request with respect to a Eurocurrency Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing (i) if denominated in dollars, shall be converted to an ABR Borrowing and (ii) if denominated in an Alternative Currency, shall be converted to a one month Interest Period denominated in the same currency as the Eurocurrency Borrowing being continued. Notwithstanding any contrary provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Parent Borrower, then, so long as such Event of Default is continuing (i) no outstanding Borrowing denominated in dollars may be converted to or continued as a Eurocurrency Borrowing and (ii) unless repaid, each Eurocurrency Borrowing denominated in dollars shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

(f) By entering into this Agreement, the parties hereto have assumed in good faith that the interest payable at the rates specified in this Agreement is not and will not be subject to any Tax deduction on account of Swiss Withholding Tax. Nevertheless, if a Tax deduction on account of Swiss Withholding Tax is required by Swiss law to be made by a Swiss Borrower in

respect of any interest payable by it under a Loan Document and should it be unlawful for a Swiss Borrower to comply with Section 2.15 for any reason, and if the gross-up in accordance with Section 2.15 is effectively not paid: (i) the applicable interest rate in relation to that interest payment shall be (A) the interest rate which would have applied to that interest payment in the absence of this Section 2.06(f)), *divided* by (B) one *minus* the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made (where the rate at which the relevant deduction on account of Swiss Withholding Tax is required to be made is for this purpose expressed as a fraction of one rather than as a percentage); (ii) (A) a Swiss Borrower shall be obliged to pay the relevant interest at the adjusted rate as set forth in this Section 2.06(f), and (B) a Swiss Borrower shall make the deduction on account of Swiss Withholding Tax (within the time allowed and in the minimum amount required by law) on the interest so recalculated; and (iii) all references to a rate of interest under a Loan Document applicable to a Swiss Borrower shall be construed accordingly. To the extent that interest payable by a Swiss Borrower under this Agreement becomes subject to a deduction of Swiss Withholding Tax, each relevant Lender and the Swiss Borrower shall promptly cooperate in completing any procedural formalities (including submitting forms and documents required by the appropriate Tax authority) to the extent possible and necessary for the Swiss Borrower to obtain authorization to make interest payments without them being subject to such deduction of Swiss Withholding Tax or to reduce the applicable withholding tax rate. If a Swiss Borrower pays the interest recalculated under this Section 2.06(f), the Swiss Borrower shall cooperate with each relevant Lender to enable that Lender to receive a full or partial refund of the Swiss Withholding Tax under an applicable double taxation treaty. In the event Swiss Withholding Tax is refunded to a Lender by the Swiss Federal Tax Administration, the relevant Lender shall immediately forward such amount to the Swiss Borrower. This Section 2.06(f) shall not apply and no interest shall be recalculated pursuant to this Section 2.06(f) if a deduction of Swiss Withholding Tax is due as a result of any non-compliance by a Lender with the provisions of Section 10.04 or the Lender (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement. Notwithstanding anything to the contrary herein, for the avoidance of doubt, (i) a Lender who is not treated as not being a Swiss Qualifying Bank shall not be under any obligation to change its status into a Swiss Qualifying Bank, (ii) the documentation which a Lender executes on becoming a party hereto shall not be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04 or Section 1.07 and (iii) none of the Loan Documents shall be invalidated by any failure of a Lender to comply with this Section 2.06(f), Section 10.04(b)(i)(A) or Section 1.07 or indicates its status as a Swiss Qualifying Bank or Swiss Permitted Non-Qualifying Bank as unknown.

SECTION 2.07. Termination and Reduction of Commitments. (a) Unless previously terminated in accordance with this Agreement, the Commitments shall terminate on the Maturity Date.

(b) The Parent Borrower may at any time terminate, or from time to time reduce, the Commitments; provided that (i) each reduction of the Commitments shall be in an amount that is an integral multiple of \$100,000 and not less than \$1,000,000, or, if less than \$1,000,000, the remaining amount of the total Commitments, and (ii) the Parent Borrower shall not terminate or reduce the Commitments if, after giving effect to any concurrent prepayment of

the Loans in accordance with Section 2.09, the total Revolving Credit Exposures would exceed the total Commitments.

(c) The Parent Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section at least two Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Parent Borrower pursuant to this Section shall be irrevocable; provided that a notice of termination of the Commitments delivered by the Parent Borrower may state that such notice is conditioned upon another event, such as the effectiveness of other credit facilities, in which case such notice may be revoked by the Parent Borrower (by notice to the Administrative Agent on or prior to the specified effective date) if such condition is not satisfied. Any termination or reduction of the Commitments shall be permanent. Each reduction of the Commitments shall be made ratably among the Lenders in accordance with their respective Commitments.

SECTION 2.08. Repayment of Loans; Evidence of Debt. (a) Each Borrower hereby unconditionally promises to pay to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Loan made to such Borrower on the Maturity Date.

(b) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of each Borrower to such Lender resulting from each Loan made by such Lender to such Borrower, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain a Register pursuant to Section 10.04(b)(iv) and an account for each Lender in which it shall record (i) the amount of each Loan made hereunder, the Type and currency thereof and the Interest Period applicable thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from each Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts and Register maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein; provided that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of any Borrower to repay the Loans in accordance with the terms of this Agreement.

(e) Any Lender may request that Loans made by it be evidenced by a promissory note. In such event, the applicable Borrower shall prepare, execute and deliver to such Lender a promissory note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and in a form approved by the Administrative Agent. Thereafter, the Loans evidenced by such promissory note and interest thereon shall at all times (including after assignment pursuant to Section 10.04) be represented by one or more promissory notes in such form payable to the order of the payee named therein (or, if such promissory note is a registered note, to such payee and its registered assigns).

SECTION 2.09. Prepayment of Loans. (a) Each Borrower shall have the right at any time and from time to time to prepay voluntarily any Borrowing made to such Borrower in whole or in part without premium or penalty, subject to prior notice in accordance with paragraph (b) of this Section.

(b) The Parent Borrower (on its own behalf or on behalf of any other Borrower) shall notify the Administrative Agent in writing (by hand delivery, telecopy or (pursuant to procedures approved by the Administrative Agent) electronic transmission) of any voluntary prepayment hereunder prior to (i) in the case of ABR Loans, 11:00 a.m., New York City time, on such date of prepayment, (ii) in the case of Eurocurrency Loans denominated in dollars, 12:00 noon, New York City time, on the Business Day immediately preceding such date of prepayment, (iii) in the case of Eurocurrency Loans denominated in Euros, 12:00 noon, New York City time, three Business Days prior to such date of prepayment and (iv) in the case of Eurocurrency Loans denominated in any Alternative Currencies other than Euros, 12:00 noon, New York City time, four Business Days prior to such date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date, the principal amount of each Borrowing or portion thereof to be prepaid and whether the prepayment is of Eurocurrency Loans, ABR Loans or a combination thereof, and, if of a combination thereof, the amount allocable to each; provided that, if a notice of voluntary prepayment is given in connection with a conditional notice of termination of the Commitments as contemplated by Section 2.07, then such notice of prepayment may be revoked if such notice of termination is revoked in accordance with Section 2.07. Promptly following receipt of any such notice the Administrative Agent shall advise the Lenders of the contents thereof. Each partial voluntary prepayment of any Borrowing shall be in an aggregate principal amount of \$500,000 or a multiple of \$100,000 in excess thereof (or the Dollar Equivalent thereof). Each voluntary prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing.

(c) If on any Exchange Rate Date the Administrative Agent determines that the total Revolving Credit Exposure exceeds 105% of the total Commitments, the Borrowers shall within three Business Days after such date, prepay Loans in an aggregate amount such that, after deducting therefrom the amount so prepaid, the total Revolving Credit Exposure does not exceed the total Commitments.

(d) If, as of the last Business Day of any calendar week, commencing with the first complete calendar week after the Effective Date, the Consolidated Cash Balance exceeds \$1,000,000,000 as of the end of such applicable Business Day (such excess, the "Excess Cash Amount"), then the Borrowers shall, on the next Business Day thereafter, prepay the Loans in an aggregate principal amount equal to the lesser of (x) the Excess Cash Amount and (y) the aggregate principal amount of Loans then outstanding.

(e) Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11 and any amounts payable pursuant to Section 2.14.

SECTION 2.10. Fees. (a) The Parent Borrower agrees to pay to the Administrative Agent for the account of each Lender a commitment fee for the period from and including the Effective Date to the last day of the Availability Period, computed at the Applicable Rate on the average daily amount of the Available Commitment of such Lender during the period for which payment is made. Commitment fees accrued through and including the last day of March, June, September and December of each year shall be payable on the fifth Business Day following such last day, commencing on October 7, 2020; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(b) [Reserved].

(c) The Parent Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Parent Borrower and the Administrative Agent.

(d) All fees payable hereunder shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, in the case of commitment fees and participation fees, to the Lenders. Except as may be expressly agreed in writing between the Parent Borrower and the Administrative Agent with respect to fees to the Administrative Agent, fees paid shall not be refundable under any circumstances (other than in the case, and to the extent, of any overpayment thereof by the applicable Borrower).

SECTION 2.11. Interest; Eurocurrency Tranches. (a) The Loans comprising each ABR Borrowing shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurocurrency Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) The interest rate for Loans denominated in Alternative Currencies shall be subject to customary adjustments if and to the extent loans denominated in such Alternative Currencies are not customarily priced on a LIBO Rate basis; provided, however that such adjustments shall not apply to Loans denominated in Euros, Yen or Hong Kong Dollars.

(d) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by any Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2% plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section or (ii) in the case of any other amount, 2% plus the rate applicable to ABR Loans as provided in paragraph (a) of this Section.

(e) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and upon termination of all of the Commitments; provided that (i) interest accrued pursuant to paragraph (d) of this Section shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Loan prior to the end of the Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurocurrency Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(f) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to (i) the Alternate Base Rate at times when the Alternate Base Rate is based on the Prime Rate or (ii) the LIBO Rate or Interpolated Rate at times when the LIBO Rate or Interpolated Rate is based on the HKD Screen Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate, Adjusted LIBO Rate or LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

SECTION 2.12. Alternate Rate of Interest. If prior to the commencement of any Interest Period for a Eurocurrency Borrowing:

(a) the Administrative Agent reasonably determines (which determination shall be conclusive absent manifest error) that by reason of circumstances affecting the relevant market adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate (including because the LIBO Screen Rate is not available or published on a current basis), as applicable, for such Interest Period; or

(b) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders (or Lender) of making or maintaining their Loans (or its Loan) included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Parent Borrower (on its own behalf or on behalf of any other Borrower) and the Lenders by telephone or telecopy as promptly as practicable thereafter and, until the Administrative Agent notifies the Parent Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing denominated in dollars, such Borrowing shall be made as an ABR Borrowing; provided that (A) if the circumstances giving rise to such notice affect only one Type of Borrowings, then the other Type of Borrowings shall be permitted and (B) if the circumstances giving rise to such notice affect only one currency, then Borrowings in other permitted currencies shall be permitted. The Administrative Agent agrees to give prompt notice to the Parent Borrower when the circumstances that gave rise to a notice under this Section 2.12 no longer exist. If at any time the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause

(a) have not arisen but either (w) the supervisor for the administrator of the LIBO Screen Rate has made a public statement that the administrator of the LIBO Screen Rate is insolvent (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (x) the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published by it (and there is no successor administrator that will continue publication of the LIBO Screen Rate), (y) the supervisor for the administrator of the LIBO Screen Rate has made a public statement identifying a specific date after which the LIBO Screen Rate will permanently or indefinitely cease to be published or (z) the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate may no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall enter into an amendment to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate); provided that, if such alternate rate of interest as so determined would be less than 0.75%, such rate shall be deemed to be 0.75% for the purposes of this Agreement. Notwithstanding anything to the contrary in Section 10.02, such amendment shall become effective without any further action or consent of any other party to this Agreement so long as the Administrative Agent shall not have received, within five Business Days of the date notice of such alternate rate of interest is provided to the Lenders, a written notice from the Required Lenders stating that such Required Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this paragraph (but, in the case of the circumstances described in clauses (w), (x) or (y) above, only to the extent the LIBO Screen Rate for the applicable currency and such Interest Period is not available or published at such time on a current basis), (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurocurrency Borrowing shall be ineffective, (ii) if any Borrowing Request requests a Eurocurrency Borrowing denominated in dollars, such Borrowing shall be made as an ABR Borrowing. The LIBO Rate is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurocurrency Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. In the event that the London interbank offered rate is no longer available or in certain other circumstances, this Section provides a mechanism for determining an alternative rate of interest. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof.

SECTION 2.13. Increased Costs. (a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender (except any such reserve requirement reflected in the Adjusted LIBO Rate);

(ii) [reserved]; or

(iii) shall subject the Administrative Agent or any Lender to any Taxes (other than (A) Indemnified Taxes indemnified under Section 2.15, (B) Taxes described in clauses (b) through (f) of the definition of Excluded Taxes or (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto;

and the result of any of the foregoing shall be to increase the cost to such Lender (or in the case of (iii) to such Administrative Agent or Lender) of making or maintaining any Eurocurrency Loan (or of maintaining its obligation to make such Loan) or to increase the cost to the Administrative Agent or such Lender or to reduce the amount of any sum received or receivable by the Administrative Agent or such Lender hereunder (whether of principal, interest or otherwise), then the Parent Borrower will pay to the Administrative Agent or such Lender, as the case may be, upon demand of such Person, such additional amount or amounts as will compensate the Administrative Agent or such Lender, as the case may be, for such additional costs incurred or reduction suffered.

(b) If any Lender reasonably determines that any Change in Law regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on such Lender's capital (or on the capital of any corporation controlling such Lender) as a consequence of this Agreement or the Loans made by such Lender to a level below that which such Lender or such controlling corporation could have achieved but for such Change in Law (taking into consideration such Lender's or such controlling corporation's policies with respect to capital adequacy or liquidity), then from time to time the Parent Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such controlling corporation for any such reduction suffered.

(c) A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender as specified in paragraph (a), (b) or (e) of this Section, containing (i) a reasonably detailed explanation of the basis on which such amount or amounts were calculated and the Change in Law by reason of which it has become entitled to be so compensated and (ii) confirmation of the matters set forth in the last sentence of Section 2.13(d), shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. No Lender shall be entitled to the benefits of this Section 2.13 unless such Lender shall have complied with the requirements of this Section 2.13. The Parent Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Parent Borrower shall not be required to compensate a Lender pursuant to this

Section for any increased costs or reductions incurred more than 90 days prior to the date that such Lender notifies the Parent Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's intention to claim compensation therefor; provided, further that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90-day period referred to above shall be extended to include the period of retroactive effect thereof. Notwithstanding any other provision of this Section 2.13, no Lender shall demand compensation for any increased costs or reduction referred to above in this Section if it shall not then be the general policy of such Lender to demand such compensation in similar circumstances from comparable borrowers under comparable provisions of other credit agreements, if any (it being understood, for the avoidance of doubt, that a waiver by any Lender in any given case of its right to demand such compensation from any given borrower shall not, in and of itself, be deemed to constitute a change in the general policy of such Lender).

(e) If the cost to any Lender of making or maintaining any Loan to a Subsidiary Borrower that is a Foreign Subsidiary is increased (or the amount of any sum received or receivable by any Lender or its lending office is reduced) by an amount deemed by such Lender to be material, by reason of the fact that such Subsidiary Borrower is a Foreign Subsidiary, such Subsidiary Borrower shall indemnify such Lender for such increased cost or reduction within 15 days after demand by such Lender (with a copy to the Administrative Agent), which such Lender shall make within 90 days from the day such Lender has notice of such increased cost or reduction.

SECTION 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurocurrency Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurocurrency Loan into an ABR Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Eurocurrency Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(b) and is revoked in accordance therewith), or (d) the assignment of any Eurocurrency Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Parent Borrower pursuant to Section 2.17, then, in any such event, the applicable Borrower shall compensate each Lender for the loss and reasonable cost and expense attributable to such event (excluding loss of margin). In the case of a Eurocurrency Loan, such loss, cost or expense to any Lender shall be deemed to include an amount reasonably determined by such Lender to be the excess, if any, of (i) the amount of interest which would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest which would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in the applicable currency of a comparable amount and period from other banks in the applicable eurocurrency market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section, containing a reasonably detailed calculation of such amounts, shall be delivered to the Parent Borrower and shall be conclusive absent manifest error. The applicable Borrower shall pay such Lender the amount shown as due on any such certificate

within 10 days after receipt thereof. No Lender shall be entitled to the benefits of this Section 2.14 unless such Lender shall have complied with the requirements of this Section 2.14.

SECTION 2.15. Taxes. (a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable withholding agent) requires the deduction or withholding of any Tax from any such payment by a withholding agent, then the applicable withholding agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that, after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 2.15), the amounts received with respect to this agreement equal the sum which would have been received had no such deduction or withholding been made.

(b) The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for, Other Taxes.

(c) Each Loan Party shall indemnify the Administrative Agent and each Lender, as promptly as possible but in any event within 30 days after written demand therefor, for the full amount of any Indemnified Taxes or Other Taxes paid by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of such Loan Party under any Loan Document (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section) and including any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability, together with, to the extent available, a certified copy of a receipt issued by such Governmental Authority evidencing such payment or other evidence of such payment reasonably satisfactory to such Loan Party, delivered to such Loan Party as soon as practicable after any such payment by a Lender or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, such Loan Party shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(e) A payment to a Lender shall not be increased under paragraph (a) or (b) of this Section 2.15 and no indemnification is due under paragraph (c) of this Section 2.15 if on the date on which the payment falls due the payment could have been made without any deduction on account of Swiss Withholding Tax (i) had the Lender correctly declared its status as to whether it is a Swiss Qualifying Bank, (ii) had the Lender complied with the assignment, transfer or exposure transfer restrictions pursuant to this Agreement, (iii) had the Lender not ceased to be a

Swiss Qualifying Bank, or (iv) had the Swiss Non-Bank Rules not been breached as a result of an assignment or transfer of rights and obligations under this Agreement after the occurrence of an Event of Default.

(f) (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax, with respect to payments made under this Agreement or any Loan Document shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 2.15(f)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Lender that is not a U.S. Person shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(i) in the case of Non-U.S. Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed originals of the applicable IRS Form W-8 establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, the applicable IRS Form W-8 establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii) executed originals of IRS Form W-8ECI;

(iii) in the case of Non-U.S. Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit E-1 to the effect that such Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a “controlled foreign corporation” described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed originals of the applicable IRS Form W-8; or to the extent a Non-U.S. Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, the applicable IRS Form W-8, a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-2 or Exhibit E-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if such Lender is a partnership and one or more direct or indirect partners of such Lender are claiming the portfolio interest exemption, such Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit E-4 on behalf of each such direct and indirect partner;

(C) any Non-U.S. Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) If a payment made to a Lender hereunder or under any other Loan Document would be subject to U.S. federal withholding tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable, or those under an intergovernmental agreement entered into in connection with the implementation of Sections 1471 through 1474 of the Code), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 2.15(f)(ii)(D), “FATCA” shall include any amendments made to FATCA after the date of this Credit Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(g) Each Lender shall indemnify the Administrative Agent, within 10 days after demand therefor, for the full amount of any Taxes imposed by any Governmental Authority, together with any reasonable costs and expenses arising therefrom or with respect thereto, that are attributable (i) to such Lender and that are payable or paid by the Administrative Agent and (ii) to a Lender's failure to comply with the provisions of Section 10.04(c) relating to the maintenance of a Participant Register. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error.

(h) If the Administrative Agent or a Lender determines that it has received a refund which, in the good faith judgment of the Administrative Agent or such Lender, as the case may be, is allocable to any Indemnified Taxes or Other Taxes as to which it has been indemnified by a Loan Party or with respect to which a Loan Party has paid additional amounts pursuant to this Section 2.15, it shall promptly pay over such refund to such Loan Party (but only to the extent of indemnity payments made, or additional amounts paid, by such Loan Party under this Section 2.15 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all reasonable out-of-pocket expenses of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund); provided, that such Loan Party, upon the request of the Administrative Agent or such Lender, agrees to repay the amount paid over to such Loan Party (plus any penalties, interest or other charges imposed by the relevant Governmental Authority attributable to such amount (including the reasonable out-of-pocket expenses described above of the Administrative Agent or such Lender)) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. This Section shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to its taxes which it deems confidential) to any Loan Party or any other Person.

(i) For purposes of this Section, the term "applicable law" includes FATCA.

SECTION 2.16. Payments Generally; Pro Rata Treatment; Sharing of Set-offs. (a) Each Borrower shall make each payment required to be made by it hereunder (whether of principal, interest, fees, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to 12:00 noon, New York City time, on the date when due, in immediately available funds, without set-off or counterclaim. Any amounts received after such time on any date may, in the discretion of the Administrative Agent be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to the Administrative Agent at its offices at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the wire instructions of the Administrative Agent set forth in Section 9.06 (or such other address or wire instructions of the Administrative Agent that may be provided from time to time by the Administrative Agent), except that payments pursuant to Sections 2.13, 2.14, 2.15 and 10.03 shall be made directly to the Persons entitled thereto. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment hereunder shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day, and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension. All payments hereunder shall be made in dollars except payments

of principal of and interest on any Alternative Currency Loan shall be paid in the applicable currency.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, interest, fees, expenses and other amounts then due hereunder, such funds shall be applied (i) first, towards payment of interest, fees, expenses and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees, expenses and other amounts then due to such parties, and (ii) second, towards payment of principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties. Notwithstanding the foregoing, no amounts received from any Guarantor shall be applied to Excluded Swap Obligations of such Guarantor.

(c) If any Lender shall, by exercising any right of set-off or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans; provided that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest, and (ii) the provisions of this paragraph shall not be construed to apply to any payment made by any Borrower pursuant to and in accordance with the express terms of this Agreement or any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the applicable Borrower or any Subsidiary or Affiliate thereof (as to which the provisions of this paragraph shall apply), or any payment obtained pursuant to a court order. Each Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against such Borrower rights of set-off and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of such Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from a Borrower prior to the date on which any payment is due to the Administrative Agent for the account of the Lenders hereunder that such Borrower will not make such payment, the Administrative Agent may assume that such Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if such Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the NYFRB Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.05(b) or 2.16(d), then the Administrative Agent may, in its discretion (notwithstanding any contrary provision hereof), apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Sections until all such unsatisfied obligations are fully paid.

(f) In order to expedite the transactions contemplated by this Agreement, each Subsidiary Borrower hereby appoints the Parent Borrower to act as agent on behalf of such Subsidiary Borrower for the purpose of (i) giving any notices or requests contemplated to be given by such Subsidiary Borrower pursuant to this Agreement, including, without limitation, Borrowing Requests, prepayment notices and Interest Election Requests and (ii) paying on behalf of such Subsidiary Borrower any Subsidiary Obligations owing by such Subsidiary Borrower; provided, that each Subsidiary Borrower shall retain the right, in its discretion, to give directly any or all of such notices or requests or to make directly any or all of such payments.

(g) The obligations of each Borrower under this Agreement are several although the Subsidiary Obligations are guaranteed by the Parent Borrower under Article IX.

SECTION 2.17. Mitigation Obligations; Replacement of Lenders. (a) If any Lender requests compensation under Section 2.13, or if any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15, as the case may be, in the future and (ii) would not subject such Lender to any material unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender.

(b) If (i) any Lender requests compensation under Section 2.13, (ii) any Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15, (iii) any Lender is a Defaulting Lender or (iv) any Lender does not consent to any proposed amendment, supplement, modification, consent or waiver of any provision of this Agreement or any other Loan Document that requires the consent of each of the Lenders or each of the Lenders affected thereby (so long as the consent of the Required Lenders (with the percentage in such definition being deemed to be 66 2/3% for this purpose) has been obtained), then the Parent Borrower may, at its sole expense (in the case of clauses (i), (ii) and (iv) of this Section 2.17(b) only), upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 10.04, *provided* that the Parent Borrower shall be required to pay the processing and recordation fee referred to in Section 10.04(b)(ii)(C), or pursuant to deemed assignment provisions established by the Administrative Agent to which the Parent Borrower has previously consented in writing), all its interests, rights and obligations under this Agreement to an assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that (i) the Parent Borrower shall have received the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld, (ii) such Lender shall have received payment of an amount equal to

the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder, from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrowers (in the case of all other amounts), (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments and (iv) in the case of an assignment pursuant to clause (iv) above, no Default shall have occurred and be continuing. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Parent Borrower to require such assignment and delegation cease to apply. No such assignment shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against the replaced Lender.

SECTION 2.18. [Reserved].

SECTION 2.19. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Available Commitment of such Defaulting Lender pursuant to Section 2.10(a); and

(b) the Commitment and Revolving Credit Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 10.02); provided, that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of each Lender or each Lender affected thereby.

ARTICLE III

Representations and Warranties

The Parent Borrower represents and warrants and each Subsidiary Borrower represents and warrants (to the extent specifically applicable to such Subsidiary Borrower) to the Lenders that:

SECTION 3.01. Organization; Powers. Each of the Borrowers, the Guarantors and the Parent Borrower's Significant Subsidiaries (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) is duly organized, validly existing and, other than the Swiss Loan Party, in good standing (or, if applicable in a foreign jurisdiction, enjoys the equivalent status under the laws of any jurisdiction of organization outside the United States of America) under the laws of the jurisdiction of its organization, has all requisite power and authority to carry on its business as now conducted and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

SECTION 3.02. Authorization; Enforceability. The Transactions are within each Loan Party's corporate powers and have been duly authorized by all necessary corporate and, if required, stockholder action. Each Loan Document has been duly executed and delivered by each Loan Party which is a party thereto and constitutes a legal, valid and binding obligation of such Loan Party, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, liquidation, reconstruction, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

SECTION 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority, except such as have been obtained or made and are in full force and effect, (b) will not violate any applicable law or regulation or the charter, by-laws or other organizational documents of Parent Borrower or any other Loan Party or any order of any Governmental Authority, (c) will not violate or result in a default under any indenture or any material agreement or other material instrument binding upon Parent Borrower or other Loan Party its assets, or give rise to a right thereunder to require any payment to be made by Parent Borrower or any of its Subsidiaries, and (d) will not result in the creation or imposition of any Lien on any asset of Parent Borrower or any of other Loan Party.

SECTION 3.04. Financial Condition; No Material Adverse Change. (a) The Parent Borrower has heretofore furnished to the Lenders its consolidated balance sheet and statements of income, stockholders equity and cash flows (i) as of and for the Fiscal Year ended March 30, 2019, reported on by Ernst & Young LLP, independent public accountants, and (ii) as of and for the Fiscal Quarters and the portion of the Fiscal Year ended June 30, 2019, September 30, 2019 and December 31, 2019, each certified by its chief financial officer. Such financial statements present fairly, in all material respects, the financial position and results of operations and cash flows of the Parent Borrower and its consolidated Subsidiaries as of such dates and for such periods in accordance with GAAP, subject to year-end audit adjustments and the absence of footnotes in the case of the statements referred to in clause (ii) above.

(b) Since March 30, 2019 there has been no material adverse change in the business, operations, property or condition (financial or otherwise) of the Parent Borrower and its Subsidiaries, taken as a whole; provided that, only during the period from the Effective Date until March 31, 2021, the impacts of the Coronavirus pandemic on the business, assets, operations, property or financial condition of the Parent Borrower and its Subsidiaries taken as a whole that (A) have already occurred and were disclosed in writing to the Lenders in the materials distributed to the Lenders on May 22, 2020 and (B) that were reasonably foreseeable (in consequence and duration) in light of any event, development or circumstance described in the foregoing clause (A) (provided that any such additional impacts described in this clause (B) are similar to the previously disclosed impacts described in the foregoing clause (A)), will in each case be disregarded for purposes of determining whether a material adverse change in the business, operations, property or financial condition of the Parent Borrower and its Subsidiaries, taken as a whole, has occurred.

SECTION 3.05. Properties. (a) Each of the Parent Borrower and the other Loan Parties has good title to, or valid leasehold interests in, all its real and personal property

material to the operation of its business, except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or to utilize such properties for their intended purposes or such other defects as, in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) Each of the Parent Borrower and the other Loan Parties owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to its business as currently conducted, and the use thereof by the Parent Borrower and the other Loan Parties does not infringe upon the rights of any other Person, except for any such infringements that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.06. Litigation and Environmental Matters. (a) There are no actions, suits or proceedings by or before any arbitrator or Governmental Authority pending against or, to the knowledge of any Borrower, threatened against or affecting Parent Borrower or any of its Subsidiaries (i) which could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect (except for actions, suits or proceedings disclosed prior to December 30, 2019 in reports publicly filed by the Parent Borrower under the Securities Exchange Act of 1934, as amended, which disclosure was true and correct in all material respects as of the date made and as of the Effective Date) or (ii) that involve this Agreement or the Transactions.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Parent Borrower nor any of its Subsidiaries (i) has failed to comply with any Environmental Laws or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received notice of any claim with respect to any Environmental Liability or (iv) knows of any basis for any Environmental Liability.

SECTION 3.07. Compliance with Laws and Agreements. (a) Each of the Parent Borrower and its Subsidiaries is in compliance with all laws, regulations and orders of any Governmental Authority applicable to it or its property and all indentures, agreements and other instruments binding upon it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. No Default has occurred and is continuing.

(b) The Parent Borrower has implemented and maintains in effect policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Parent Borrower, its Subsidiaries and, to the knowledge of the Parent Borrower, their respective officers, employees, directors and agents, are in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects and are not knowingly engaged in any activity that would reasonably be expected to result in Parent Borrower being designated as a Sanctioned Person. None of (a) the Parent Borrower, any Subsidiary or, to the knowledge of the Parent Borrower, any of their respective directors, officers or employees, or (b) to the knowledge of the Parent Borrower, any agent of the Parent Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned

Person. No Transactions contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions.

SECTION 3.08. Investment Company Status. Neither the Parent Borrower nor any of its Subsidiaries is required to be registered as an “investment company” as defined in, or subject to regulation under, the Investment Company Act of 1940, as amended.

SECTION 3.09. Taxes. Each of the Parent Borrower and its Subsidiaries has timely filed or caused to be filed all Tax returns and reports required to have been filed and has paid or caused to be paid all Taxes required to have been paid by it, except (a) Taxes that are being contested in good faith by appropriate proceedings and for which the Parent Borrower or such Subsidiary, as applicable, has set aside on its books adequate reserves to the extent required by GAAP or (b) to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

SECTION 3.10. ERISA. (i) Except as could not reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA and the provisions of the Code relating to Plans and the regulations and published interpretations thereunder, and each Foreign Plan is in compliance with applicable non-United States law and regulations thereunder, and (ii) no ERISA Event or Foreign Plan Event has occurred or is reasonably expected to occur that, when taken together with all other such ERISA Events and Foreign Plan Events for which liability has been imposed or is reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect. The present value of all accumulated benefit obligations under each Plan (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of such Plan, and the present value of all accumulated benefit obligations of all underfunded Plans (based on the assumptions used for purposes of Accounting Standards Codification No. 715: Compensation Retirement Benefits) did not, as of the date of the most recent financial statements reflecting such amounts, exceed by more than \$10,000,000 the fair market value of the assets of all such underfunded Plans.

SECTION 3.11. Disclosure. All of the reports, financial statements and certificates furnished by or on behalf of any Borrower to the Administrative Agent or any Lender in connection with the negotiation of this Agreement or hereafter delivered hereunder or reports filed pursuant to the Securities Exchange Act of 1934, as amended (as modified or supplemented by other information so furnished prior to the date on which this representation and warranty is made or deemed made) do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected financial information, the Parent Borrower and the Subsidiary Borrowers represent only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time. As of the Effective Date, to the best knowledge of the Parent Borrower, the information included in the Beneficial Ownership Certification provided by a Borrower on or prior to the Effective Date to any Lender in connection with this Agreement is true and correct in all respects.

SECTION 3.12. **Subsidiary Guarantors.** Set forth on Schedule 3.12 is a list of each Subsidiary which, in accordance with Section 4.01(b), is required to be a Guarantor under the Guarantee Agreement on the Effective Date.

SECTION 3.13. **Anti-Corruption Laws and Sanctions.** The Borrowers have implemented and maintain in effect policies and procedures designed to ensure compliance by the Borrowers, their subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions, and the Borrowers, their subsidiaries and their respective officers and directors and to the knowledge of the Borrowers their employees and agents, are in compliance in all material respects with Anti-Corruption Laws and applicable Sanctions and are not knowingly engaged in any activity that would reasonably be expected to result in a Borrower being designated as a Sanctioned Person. None of (a) the Borrowers, any Subsidiary, any of their respective directors or officers or to the knowledge of the Borrowers or such Subsidiary employees, or (b) to the knowledge of the Borrowers, any agent of a Borrower or any Subsidiary that will act in any capacity in connection with or benefit from the credit facility established hereby, is a Sanctioned Person. No Borrowing, use of proceeds or other transaction contemplated by this Agreement will violate any Anti-Corruption Law or applicable Sanctions. The foregoing representations in this Section 3.13 will not apply to any party hereto to which Council Regulation (EC) 2271/96 (the “Blocking Regulation”) applies, if and to the extent that such representations are or would be unenforceable by or in respect of that party pursuant to, or would otherwise result in a breach and/or violation of, (i) any provision of the Blocking Regulation (or any law or regulation implementing the Blocking Regulation in any member state of the European Union) or (ii) any similar blocking or anti-boycott law in the United Kingdom.

SECTION 3.14. **EEA Financial Institutions.** No Loan Party is an Affected Financial Institution.

SECTION 3.15. **Plan Assets; Prohibited Transactions.** None of the Borrowers or any of their subsidiaries is an entity deemed to hold “plan assets” (within the meaning of the Plan Asset Regulations), and neither the execution, delivery nor performance of the transactions contemplated under this Agreement, including the making of any Loan hereunder, will give rise to a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code.

SECTION 3.16. **Margin Regulations.** The Borrowers are not engaged and will not engage, principally or as one of their important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrowers only or of the Borrowers and their subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.17. **Compliance with Swiss Non-Bank Rules.** (a) Subject to clause (b) below, each Swiss Borrower represents that it is at all times in compliance with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 3.16, the relevant Swiss

Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

SECTION 3.18. Additional Specified Stimulus Indebtedness. The Parent Borrower hereby represents and warrants that it and/or its applicable Subsidiaries have determined in good faith in consultation with counsel that it and/or such Subsidiaries are eligible to participate in all Additional Specified Stimulus Indebtedness programs that the Parent Borrower and/or such Subsidiaries currently participate in or have applied to participate in, and have taken into consideration in making such determination the rules, regulations and guidance related to such programs.

ARTICLE IV

Conditions

SECTION 4.01. Effective Date. The obligations of the Lenders to make Loans hereunder shall not become effective until the date on which each of the following conditions is satisfied (or waived in accordance with Section 10.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement signed on behalf of such party or (ii) written evidence reasonably satisfactory to the Administrative Agent (which may include telecopy or electronic transmission of a signed signature page of this Agreement) that such party has signed a counterpart of this Agreement.

(b) The Administrative Agent shall have received the Guarantee Agreement executed and delivered by each Domestic Subsidiary, if any, which, as of the Effective Date, is a Significant Subsidiary (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations).

(c) [Reserved].

(d) The Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders and dated the Effective Date) of Kelley Drye & Warren LLP, counsel for the Loan Parties, substantially in the form of Exhibit B. The Borrowers hereby request Kelley Drye & Warren LLP to deliver the opinion provided for in the preceding sentence.

(e) The Administrative Agent shall have received such documents and certificates as the Administrative Agent or its counsel may reasonably request relating to the organization, existence and good standing of the Loan Parties, the authorization of the Transactions by the Loan Parties and any other legal matters relating to the Loan Parties, this Agreement or the Transactions, all in form and substance reasonably satisfactory to the Administrative Agent and its counsel.

(f) The Administrative Agent shall have received a certificate, dated the Effective Date and signed by the President, a Vice President or a Financial Officer of the Parent Borrower, confirming compliance with the conditions set forth in paragraphs (a) and (b) of Section 4.02.

(g) The Administrative Agent shall have received all fees and other amounts due and payable on or prior to the Effective Date, including, to the extent invoiced at least one Business Day prior to the Effective Date, reimbursement or payment of all out-of-pocket expenses required to be reimbursed or paid by the Parent Borrower hereunder.

(h) (i) The Administrative Agent shall have received, at least five days prior to the Effective Date, all documentation and other information regarding the Borrowers requested in connection with applicable “know your customer” and anti-money laundering rules and regulations, including the Patriot Act, to the extent requested in writing of the Borrowers at least 10 days prior to the Effective Date and (ii) to the extent a Borrower qualifies as a “legal entity customer” under the Beneficial Ownership Regulation, at least five days prior to the Effective Date, any Lender that has requested, in a written notice to such Borrower at least 10 days prior to the Effective Date, a Beneficial Ownership Certification in relation to such Borrower shall have received such Beneficial Ownership Certification (*provided* that, upon the execution and delivery by such Lender of its signature page to this Agreement, the condition set forth in this clause (ii) shall be deemed to be satisfied; *further provided* that, the Borrowers shall not be required to provide any personal data or information with respect to any individual, including without limitation personally identifiable information, unless such data or information is required to be provided under applicable “know your customer” and anti-money laundering rules and regulations).

The Administrative Agent shall notify the Parent Borrower and the Lenders of the Effective Date, and such notice shall be conclusive and binding. On the Effective Date, (i) the Commitments of the Lenders shall be as set forth on Schedule 2.01 and (ii) each obligation of the Loan Parties hereunder and under each Loan Document shall be deemed to be obligations of the Loan Parties under the Loan Documents. Notwithstanding the foregoing, the obligations of the Lenders to make Loans hereunder shall not become effective unless each of the foregoing conditions is satisfied (or waived pursuant to Section 10.02) at or prior to 6:00 p.m., New York City time, on the Outside Date (and, in the event such conditions are not so satisfied or waived, the Commitments shall terminate).

SECTION 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing, but excluding a conversion of all or a portion of a Borrowing from one Type to the other or a continuation of all or a portion of a Borrowing of the same Type pursuant to Section 2.06 is subject to the satisfaction of the following conditions:

(a) The representations and warranties made by any Loan Party in or pursuant to the Loan Documents shall be true and correct in all material respects (or, in the case of any representation and warranty qualified by materiality, in all respects) on and as of the date of such Borrowing (other than such representations as are made as of a specific earlier date, in which case such representations and warranties shall be true and correct in all material respects as of such earlier date (or, in the case of any representation and warranty qualified by materiality, in all respects as of such earlier date)); provided, however, that if the proceeds of such Loan are being used to refinance maturing commercial paper issued by the Parent Borrower, then the representations and warranties in Sections 3.04(b) and 3.06(a) shall not apply.

(b) At the time of and immediately after giving effect to such Borrowing, no Default shall have occurred and be continuing

(c) The Consolidated Cash Balance on such date shall not exceed \$1,000,000,000.

Each Borrowing shall be deemed to constitute a representation and warranty by the applicable Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

SECTION 4.03. Additional Condition to Initial Borrowing by Subsidiary Borrowers. The obligations of the Lenders to make the initial Loan to a particular Subsidiary Borrower shall not become effective, with respect to such Subsidiary Borrower, until the date on which the Administrative Agent shall have received a favorable written opinion (addressed to the Administrative Agent and the Lenders) of non-U.S. counsel for such Subsidiary Borrower in form and substance customary and typical for such opinion and reasonably satisfactory to the Administrative Agent.

ARTICLE V

Affirmative Covenants

Until the Commitments have expired or been terminated and the principal of and interest on each Loan and all fees payable hereunder shall have been paid in full, the Parent Borrower covenants and agrees with the Lenders that:

SECTION 5.01. Financial Statements; Ratings Change and Other Information. The Parent Borrower will furnish to each Lender through the Administrative Agent:

(a) within 90 days after the end of each Fiscal Year, the Parent Borrower's audited consolidated balance sheet and related statements of operations, stockholders' equity and cash flows as of the end of and for such Fiscal Year, setting forth in each case in comparative form the figures for the previous Fiscal Year, all reported on by Ernst &

Young LLP or other independent public accountants of recognized national standing (without a “going concern” or like qualification or exception and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph shall be deemed satisfied by the delivery of, the Annual Report of the Parent Borrower on Form 10-K (or any successor form as prescribed by the Securities and Exchange Commission) for such Fiscal Year, signed by the duly authorized officer or officers of the Parent Borrower;

(b) within 60 days after the end of each of the first three Fiscal Quarters, the Parent Borrower’s consolidated balance sheet and related statements of operations, stockholders’ equity and cash flows as of the end of and for such Fiscal Quarter and the then elapsed portion of the Fiscal Year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous Fiscal Year, all certified by one of its Financial Officers as presenting fairly in all material respects the financial condition and results of operations of the Parent Borrower and its consolidated Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes; provided, however, that, so long as the Parent Borrower is required to file reports under Section 13 of the Securities and Exchange Act of 1934, as amended, the requirements of this paragraph shall be deemed satisfied by the delivery of the Quarterly Report of the Parent Borrower on Form 10-Q (or any successor form as prescribed by the Securities and Exchange Commission) for the relevant Fiscal Quarter, signed by the duly authorized officer or officers of the Parent Borrower.

(c) concurrently with any delivery of financial statements under clause (a) or (b) above, a certificate of a Financial Officer of the Parent Borrower (i) stating that he or she has obtained no knowledge that a Default has occurred (except as set forth in such certificate), (ii) if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (iii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.07; and (iv) stating whether any change in GAAP or in the application thereof has occurred since the date of the audited financial statements referred to in Section 3.04 which has had an effect on such financial statements and, if any such change has occurred, specifying the effect of such change on the financial statements accompanying such certificate;

(d) concurrently with any delivery of financial statements under clause (a) above, a certificate of the accounting firm that reported on such financial statements stating whether they obtained knowledge during the course of their examination of such financial statements of any Default (which certificate may be limited to the extent required by accounting rules or guidelines);

(e) promptly after the same become publicly available, copies of all other periodic and other reports, proxy statements and other materials filed by the Parent

Borrower or any Subsidiary with the Securities and Exchange Commission, or any Governmental Authority succeeding to any or all of the functions of said Commission, or with any national securities exchange, or distributed by the Parent Borrower to its shareholders generally, as the case may be;

(f) promptly after the Parent Borrower shall have received notice that Moody's or S&P has announced a change in the rating established or deemed to have been established for the Index Debt, written notice of such rating change;

(g) promptly following any request therefor, (x) such other information regarding the business affairs or financial position of the Parent Borrower or any other Loan Party, or compliance with the terms of this Agreement, as the Administrative Agent on behalf of any Lender may reasonably request and (y) information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation, provided that the Parent Borrower shall not be required to provide any personal data or information with respect to any individual, including without limitation personally identifiable information, unless such data or information is required to be provided under applicable "know your customer" and anti-money laundering rules and regulations; and

(h) promptly after receipt thereof by any Borrower or any Subsidiary, copies of each written notice or other written correspondence received from the Securities and Exchange Commission (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by the Securities and Exchange Commission or such other agency regarding financial or other operational results of any Borrower or any Subsidiary thereof.

SECTION 5.02. Notices of Material Events. The Parent Borrower will furnish to the Lenders through the Administrative Agent prompt written notice of the following after the Parent Borrower shall have obtained knowledge thereof:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator or Governmental Authority against or affecting the Parent Borrower or its Subsidiaries that, if adversely determined, could reasonably be expected to result in a Material Adverse Effect;

(c) the occurrence of any ERISA Event or Foreign Plan Event that, alone or together with any other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in liability of any Loan Party or any of its ERISA Affiliates in an aggregate amount exceeding \$10,000,000;

(d) any other development that results in, or could reasonably be expected to result in, a Material Adverse Effect; and

(e) any change in the information provided in the Beneficial Ownership Certification delivered to such Lender that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a statement of a Financial Officer or other executive officer of the Parent Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

SECTION 5.03. Existence; Conduct of Business. The Parent Borrower will, and will cause each of its Subsidiaries to, do or cause to be done all things necessary to preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges and franchises material to the conduct of its business except, in each case (other than the case of the foregoing requirements insofar as they relate to the legal existence of the Borrowers and the Guarantors), to the extent that failure to do so could not reasonably be expected to result in a Material Adverse Effect; provided that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.04.

SECTION 5.04. Payment of Obligations. The Parent Borrower will, and will cause each of its Subsidiaries to, pay its obligations, including Tax liabilities, that, if not paid, could reasonably be expected to result in a Material Adverse Effect before the same shall become delinquent or in default, except where (a) the validity or amount thereof is being contested in good faith by appropriate proceedings, (b) the Parent Borrower or such Subsidiary has set aside on its books adequate reserves with respect thereto in accordance with GAAP and (c) the failure to make payment pending such contest could not reasonably be expected to result in a Material Adverse Effect.

SECTION 5.05. Maintenance of Properties; Insurance. Except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect, the Parent Borrower will, and will cause each of its Subsidiaries to, (a) keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted and except for surplus and obsolete properties, and (b) maintain, with financially sound and reputable insurance companies, insurance on such of its property and in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar businesses operating in the same or similar locations.

SECTION 5.06. Books and Records; Inspection Rights. The Parent Borrower will, and will cause each of its Subsidiaries to, keep proper books of record and account in which entries in conformity in all material respects with all applicable laws, rules and regulations of any Governmental Authority are made of all dealings and transactions in relation to its business and activities. The Parent Borrower will, and will cause each of its Subsidiaries to, on an annual basis at the request of the Administrative Agent (or at any time after the occurrence and during the continuance of a Default), permit any representatives designated by the Administrative Agent or any Lender (at such Lender's expense), upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records (other than materials protected by the attorney-client privilege and materials which the Parent Borrower or such Subsidiary, as applicable, may not disclose without violation of a confidentiality obligation binding upon it),

and to discuss its affairs, finances and condition with its officers and independent accountants, so long as afforded opportunity to be present, all during reasonable business hours. It is understood that so long as no Event of Default has occurred and is continuing, such visits and inspections shall be coordinated through the Administrative Agent.

SECTION 5.07. Compliance with Laws. The Parent Borrower will, and will cause each of its Subsidiaries to, comply with all laws, rules, regulations and orders of any Governmental Authority applicable to it or its property, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect. The Parent Borrower will maintain in effect and enforce policies and procedures designed to ensure compliance by the Parent Borrower, its Subsidiaries and their respective directors, officers, employees and agents with Anti-Corruption Laws and applicable Sanctions.

SECTION 5.08. Compliance with Swiss Non-Bank Rules. (a) Subject to clause (b) below, each Swiss Borrower will comply with the Swiss Non-Bank Rules; provided, that, if at any time the aggregate number of Lenders which are not Swiss Qualifying Banks is less than ten in the aggregate, then for the purposes of determining compliance with the Swiss 20-Non-Bank Rule pursuant to this Section 5.08, the relevant Swiss Borrower shall assume that the aggregate number of not Swiss Qualifying Banks hereunder is 10. (b) A Swiss Borrower shall not be in breach of its obligations under clause (a) above if a Swiss Non-Bank Rule is breached as a result of one or more Lenders (i) making a misrepresentation as to its status according to Section 1.07 as a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank or (ii) ceasing to be a Swiss Qualifying Bank or as (only) one Swiss Permitted Non-Qualifying Bank after the time it acceded to this Agreement.

SECTION 5.09. Use of Proceeds . The proceeds of the Loans will be used only to finance the working capital needs, capital expenditures, Permitted Acquisitions, Investments permitted under Section 6.05 and general corporate purposes of the Parent Borrower and its Subsidiaries. No part of the proceeds of any Loan will be used, whether directly or indirectly, for the purpose of purchasing or carrying, or to extend credit to others for the purpose of purchasing or carrying any Margin Stock or for any other purpose that entails a violation of any such regulations.

SECTION 5.10. Guarantee Agreement Supplement. Each Domestic Subsidiary that becomes a Significant Subsidiary subsequent to the Effective Date shall promptly (and in any event within 60 days of becoming a Significant Subsidiary) execute and deliver to the Administrative Agent (with a counterpart for each Lender) a supplement to the Guarantee Agreement pursuant to which such Subsidiary shall become a party thereto as a Guarantor, together with such other documents and legal opinions with respect thereto as the Administrative Agent shall reasonably request (which documents and opinions shall be in form and substance reasonably satisfactory to the Administrative Agent).

SECTION 5.11. Additional Specified Stimulus Indebtedness. Before participating in or applying to participate in any Additional Specified Stimulus Indebtedness relief program, each of the Parent Borrower and/or its applicable Subsidiaries shall make a determination in good faith in consultation with counsel that it is eligible to participate in such program, and shall take into consideration in making such determination the rules, regulations and guidance related to

such program. Further, the applicable borrower incurring such Additional Specified Stimulus Indebtedness shall comply in all material respects with the laws, rules and regulations (including with respect to use of proceeds) applicable to the relevant credit or financial support program.

ARTICLE VI

Negative Covenants

Until the Commitments have expired or terminated and the principal of and interest on each Loan and all fees payable hereunder have been paid in full, the Parent Borrower covenants and agrees with the Lenders that:

SECTION 6.01. Indebtedness. The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

(a) Indebtedness created hereunder and under the other Loan Documents and Indebtedness created under the Five-Year Credit Agreement;

(b) Indebtedness existing on the Effective Date and set forth in Schedule 6.01 and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof;

(c) Indebtedness of the Parent Borrower to any Subsidiary and of any Subsidiary to the Parent Borrower or any other Subsidiary; provided that, other than with respect to Cash Pooling Arrangements, the aggregate amount of Indebtedness incurred by Subsidiaries that are not Loan Parties pursuant to this clause (c) shall not exceed at any one time outstanding \$125,000,000;

(d) Guarantees by the Parent Borrower of Indebtedness of any Subsidiary and by any Subsidiary of Indebtedness of the Parent Borrower or any other Subsidiary;

(e) Indebtedness of the Parent Borrower or any Subsidiary incurred to finance the acquisition, construction or improvement of any real property, fixed or capital assets, including Finance Lease Obligations, and extensions, renewals and replacements of any such Indebtedness that do not increase the outstanding principal amount thereof; provided that such Indebtedness is incurred no more than 90 days prior to or within 90 days after such acquisition or the completion of such construction or improvement;

(f) Indebtedness acquired or assumed in Permitted Acquisitions and extensions, renewals and replacements of any such indebtedness that do not increase the outstanding principal amount thereof or shorten the final maturity or weighted average life to maturity thereof or have different obligors;

(g) Priority Indebtedness (excluding any Indebtedness permitted by Sections 6.01(e) and (f)) in an aggregate principal amount at any one time outstanding not to exceed \$15,000,000;

(h) Unsecured Indebtedness (excluding any Indebtedness permitted by Section 6.01(f)), not otherwise permitted by this Section, of any Borrower or any Subsidiary which is a Guarantor so long as (i) on a pro forma basis after giving effect to the incurrence of such Indebtedness, the ratio of (x) Adjusted Debt then outstanding to (y) Consolidated EBITDAR for the then most recently ended period of four consecutive Fiscal Quarters for which financial statements shall have been delivered to the Lenders pursuant to Section 5.01 is not greater than 3.75 to 1.00;

(i) Indebtedness under Swap Agreements not entered into for speculative purposes;

(j) Any joint and several liability as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes; and

(k) Additional Specified Stimulus Indebtedness.

For purposes of this subsection 6.01, any Person becoming a Subsidiary of the Parent Borrower after the date of this Agreement shall be deemed to have incurred all of its then outstanding Indebtedness at the time it becomes a Subsidiary, and any Indebtedness assumed by the Parent Borrower or any of its Subsidiaries shall be deemed to have been incurred on the date of assumption.

SECTION 6.02. Liens. The Parent Borrower will not, and will not permit any Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, or assign or sell any income or revenues (including accounts receivable) or rights in respect of any thereof, except:

(a) Permitted Encumbrances;

(b) Liens existing on the Effective Date and set forth on Schedule 6.02;

(c) any Lien on any property or asset of the Parent Borrower or any Subsidiary securing Indebtedness permitted by Section 6.01(e) incurred to acquire, construct or improve such property or asset;

(d) Liens solely constituting the right of any other Person to a share of any licensing royalties (pursuant to a licensing agreement or other related agreement entered into by the Parent Borrower or any of its Subsidiaries with such Person in the ordinary course of the Parent Borrower's or such Subsidiary's business) otherwise payable to the Parent Borrower or any of its Subsidiaries, *provided* that such right shall have been conveyed to such Person for consideration received by the Parent Borrower or such Subsidiary on an arm's-length basis;

- (e) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to Operating Leases entered into by the Parent Borrower or any of its Subsidiaries in the ordinary course of business;
- (f) Liens securing Indebtedness described in clause (a) of the definition of Priority Indebtedness;
- (g) Liens securing Indebtedness permitted under Section 6.01(c);
- (h) Bankers' liens and rights of setoff with respect to customary depository or other banking arrangements entered into in the ordinary course of business;
- (i) Liens attaching solely to cash earnest money or similar deposits in connection with any letter of intent or purchase agreement in connection with a Permitted Acquisition;
- (j) Liens arising from precautionary Uniform Commercial Code financing statement filings with respect to consignments, *provided* that such Liens extend solely to the assets subject to such consignments; and
- (k) Liens, including any netting or set-off, as a result of a fiscal unity (*fiscal eenheid*) for Dutch tax purposes.

SECTION 6.03. Sale of Assets. The Parent Borrower will not, nor will it permit any of its Subsidiaries to, sell, lease, transfer or otherwise dispose of (in one transaction or a series of transactions) all or substantially all of the assets of the Parent Borrower and its Subsidiaries taken as a whole.

SECTION 6.04. Fundamental Changes. (a) The Parent Borrower will not, and will not permit any Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that, if at the time thereof and immediately after giving effect thereto no Default shall have occurred and be continuing, (i) any Subsidiary may merge into the Parent Borrower in a transaction in which the Parent Borrower is the surviving corporation, (ii) any Subsidiary (including a Guarantor) may merge into any other Subsidiary in a transaction in which the surviving entity is a Subsidiary (*provided* that, in the case of a merger of a Subsidiary that is not a Subsidiary Borrower into a Subsidiary Borrower in which the surviving Subsidiary is not the Subsidiary Borrower, the surviving Subsidiary shall execute and deliver to the Administrative Agent an assumption agreement expressly assuming the Subsidiary Obligations of such Subsidiary Borrower under this Agreement), and (iii) any Subsidiary may liquidate or dissolve if the Parent Borrower determines in good faith that such liquidation or dissolution is in the best interests of the Parent Borrower and its Subsidiaries and is not materially disadvantageous to the Lenders and except that the Parent Borrower or any Subsidiary may effect any acquisition permitted by Section 6.05 by means of a merger of the Person that is the subject of such acquisition with the Parent Borrower or any of its Subsidiaries (*provided* that, in the case of a merger with the Parent Borrower, the Parent Borrower is the survivor); and

(b) The Parent Borrower will not, and will not permit any of its Subsidiaries to, engage to any material extent in any business other than a Related Line of Business; provided, that the Parent Borrower and any Subsidiary may engage in any business or businesses which are not Related Lines of Business, so long as the Investments made by the Parent Borrower and/or the Subsidiaries in such businesses do not exceed \$750,000,000 in the aggregate, which amount shall be included in the aggregate amount for Investments permitted under Section 6.05(j).

SECTION 6.05. Investments, Loans, Advances, Guarantees and Acquisitions. The Parent Borrower will not, and will not permit any of its Subsidiaries to, purchase, hold or acquire (including pursuant to any merger with any Person that was not a wholly owned Subsidiary prior to such merger) any capital stock, evidences of indebtedness or other securities (including any option, warrant or other right to acquire any of the foregoing) of, make or permit to exist any loans or advances to, Guarantee any obligations of, or make or permit to exist any investment or any other interest in, any other Person, or purchase or otherwise acquire (in one transaction or a series of transactions) any assets of any other Person constituting a business unit or the rights of any licensee under a trademark license to such licensee from the Parent Borrower or any of its Affiliates, except:

(a) Permitted Investments;

(b) investments by the Parent Borrower or a Subsidiary in the capital stock of its Subsidiaries;

(c) loans or advances made by the Parent Borrower to, and Guarantees by the Parent Borrower of obligations of, any Subsidiary, and loans or advances made by any Subsidiary to, and Guarantees by any Subsidiary of obligations of, the Parent Borrower or any other Subsidiary;

(d) Guarantees constituting Indebtedness permitted by Section 6.01;

(e) advances or loans made in the ordinary course of business to employees of the Parent Borrower and its Subsidiaries;

(f) existing Investments not otherwise permitted under this Agreement and described in Schedule 6.05 hereto;

(g) Investments received in connection with the bona fide settlement of any defaulted Indebtedness or other liability owed to the Parent Borrower or any Subsidiary;

(h) Permitted Acquisitions; provided that if, as a result of a Permitted Acquisition, (i) a new Domestic Subsidiary shall be created and such Domestic Subsidiary is a “Significant Subsidiary” (as defined in Regulation S-X, part 210.1-02 of Title 17 of the Code of Federal Regulations) or (ii) any then existing Domestic Subsidiary shall become such a Significant Subsidiary, such Domestic Subsidiary shall thereafter become party to the Guarantee Agreement as a Guarantor in accordance with Section 5.10; provided further, that the aggregate amount of Permitted Acquisitions made pursuant to this clause (h), when taken together with all Investments made pursuant to clause (j), shall not exceed \$100,000,000;

(i) Swap Agreements not entered into for speculative purposes; and

(j) Investments, in addition to Investments permitted under clauses (a) through (h) of this Section 6.05, but including Investments permitted under Section 6.04(b), made after the date hereof in an aggregate amount not to exceed, when taken together with all Permitted Acquisitions made pursuant to clause (h), \$100,000,000 in any Person or Persons.

SECTION 6.06. Transactions with Affiliates. The Parent Borrower will not, and will not permit any of its Subsidiaries to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, (a) any of its Affiliates, (b) a spouse or any relative (by blood, adoption or marriage) within the third degree of any such Affiliate or (c) any other Person which is an Affiliate of any such spouse or relative, except (x) in the ordinary course of business at prices and on terms and conditions, in the aggregate (taking into account all of the Parent Borrower's or such Subsidiary's transactions with, and the benefits to the Parent Borrower and its Subsidiaries derived from the Parent Borrower's or such Subsidiary's Investment in, such Affiliate), not less favorable to the Parent Borrower or such Subsidiary than could be obtained on an arm's-length basis from unrelated third parties, excluding customary compensation paid to, and indemnity provided on behalf of, directors, officers and employees of the Parent Borrower and any Subsidiary and (y) transactions between or among the Parent Borrower and its Subsidiaries not involving any other Affiliate.

SECTION 6.07. Minimum Liquidity. The Parent Borrower will not permit the aggregate Liquidity of the Parent Borrower and its Subsidiaries to be less than \$750,000,000 at any time.

SECTION 6.08. Anti-Corruption Laws and Sanctions. The Parent Borrower will not request any Borrowing, and the Parent Borrower shall not use, and shall procure that its Subsidiaries and its or their respective directors, officers, employees and agents shall not use, the proceeds of any Borrowing (A) for the purpose of funding payments to any officer or employee of a Governmental Authority, or any Person controlled by a Governmental Authority, or any political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (B) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, or (C) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

SECTION 6.09. Restricted Payments. The Parent Borrower will not, and will not permit any of its Subsidiaries to, declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except (a) the Parent Borrower may declare and pay dividends with respect to its Equity Interests payable solely in additional shares of its common stock, (b) Subsidiaries may declare and pay dividends ratably with respect to their Equity Interests, (c) the Parent Borrower may make Restricted Payments pursuant to and in accordance with stock option plans or other benefit plans for management or employees of the Borrower and its Subsidiaries and (d) the Parent Borrower and its Subsidiaries may make any other Restricted Payment in the form of a dividend so long as (i) no Event of Default has occurred and is continuing prior to

making such Restricted Payment or would arise after giving effect thereto and (ii) the aggregate amount of Restricted Payments made pursuant to this Section 6.09(d) do not exceed (x) \$60,000,000 in the aggregate in any Fiscal Quarter and (y) \$200,000,000 during the Availability Period.

ARTICLE VII

Events of Default

If any of the following events (each, an “Event of Default”) shall occur:

(a) any Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Borrower shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in clause (a) of this Article) payable under this Agreement, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five days;

(c) any representation or warranty made or deemed made by or on behalf of the Parent Borrower or any Subsidiary in or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or the Guarantee Agreement or any amendment or modification hereof or thereof or waiver hereunder or thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.03 (with respect to each Borrower’s existence) or 5.09 or in Article VI;

(e) the Parent Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement (other than those specified in clause (a), (b) or (d) of this Article), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Parent Borrower (which notice will be given at the request of any Lender);

(f) the Parent Borrower or any Subsidiary shall fail to make any payment of principal or interest, regardless of amount, in respect of any Material Indebtedness, when and as the same shall become due and payable beyond the period (without giving effect to any extensions, waivers, amendments or other modifications of or to such period) of grace, if any, provided in the instrument or agreement under which such Material Indebtedness was created, and, prior to any termination of Commitments or the acceleration of payment of Loans pursuant to this Article VII, such failure is not waived in writing by the holders of such Material Indebtedness;

(g) any event or condition occurs (after giving effect to any applicable grace periods and after giving effect to any extensions, waivers, amendments or other modifications of any applicable provision or agreement) that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause, with the giving of an acceleration or similar notice if required, any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity; provided that this clause (g) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness to the extent such Indebtedness is paid when due;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief in respect of the Parent Borrower or any Subsidiary or its debts, or of a substantial part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, and, in any such case, such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered; provided, however, that the occurrence of any of the events specified in this paragraph (h) with respect to any Person other than the Parent Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (h) and in paragraphs (i) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(i) the Parent Borrower or any Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (h) of this Article, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower or any Subsidiary or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing; provided, however, that the occurrence of any of the events specified in this paragraph (i) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or

(y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (i) and in paragraphs (h) and (j) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(j) the Parent Borrower or any Subsidiary shall become unable, admit in writing its inability or fail generally to pay its debts as they become due; provided, however, that the occurrence of any of the events specified in this paragraph (j) with respect to any Person other than any Borrower shall not be deemed to be an Event of Default unless (x) the net assets of such Person, determined in accordance with GAAP, shall have exceeded \$20,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event and/or (y) the aggregate net assets of all Loan Parties and other Subsidiaries in respect of which any of the events specified in this paragraph (j) and in paragraphs (h) and (i) of this Article VII shall have occurred shall have exceeded \$50,000,000 as of the date of the most recent audited financial statements delivered to the Lenders pursuant to Section 5.01 or on the date of occurrence of any such event;

(k) one or more judgments for the payment of money in an aggregate amount (not paid or covered by insurance) in excess of \$50,000,000 shall be rendered against the Parent Borrower, any Subsidiary or any combination thereof and (i) the same shall remain undischarged for a period of 60 consecutive days from the entry thereof during which execution shall not be effectively stayed or bonded, or (ii) any action shall be legally taken by a judgment creditor to attach or levy upon any assets of the Parent Borrower or any Subsidiary to enforce any such judgment;

(l) an ERISA Event or Foreign Plan Event shall have occurred that, in the reasonable opinion of the Required Lenders, when taken together with all other ERISA Events or Foreign Plan Events that have occurred, could reasonably be expected to result in a Material Adverse Effect;

(m) a Change in Control shall occur; or

(n) the Guarantee Agreement ceases to be in full force and effect;

then, and in every such event (other than an event with respect to any Borrower described in clause (h) or (i) of this Article), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Parent Borrower, take either or both of the following actions, at the same or different times: (i) terminate the Commitments, and thereupon the Commitments shall terminate immediately, and (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers;

and in case of any event with respect to any Borrower described in clause (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrowers accrued hereunder and under any other Loan Document, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrowers.

ARTICLE VIII

The Administrative Agent

Each of the Lenders hereby irrevocably appoints the Administrative Agent as its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to the Administrative Agent by the terms hereof, together with such actions and powers as are reasonably incidental thereto.

The bank serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Borrower or any Subsidiary or other Affiliate thereof as if it were not the Administrative Agent hereunder.

The Administrative Agent shall not have any duties or obligations except those expressly set forth herein. Without limiting the generality of the foregoing, (a) the Administrative Agent shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) the Administrative Agent shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that the Administrative Agent is required to exercise in writing as directed by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02), and (c) except as expressly set forth herein, the Administrative Agent shall not have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Parent Borrower or any of its Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall not be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 10.02) or in the absence of its own gross negligence, bad faith or willful misconduct. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until written notice thereof is given to the Administrative Agent by the Parent Borrower or a Lender, and the Administrative Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement, (ii) the contents of any certificate, report or other document delivered hereunder or in connection herewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement or any other agreement, instrument or document, or (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent.

The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing believed by it to be genuine and to have been signed or sent by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to be made by the proper Person, and shall not incur any liability for relying thereon. The Administrative Agent may consult with legal counsel (who may be counsel for the Borrowers), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

The Administrative Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Administrative Agent.

The Administrative Agent may resign as Administrative Agent upon 30 days' notice to the Lenders and the Parent Borrower. Upon any such resignation, the Required Lenders shall have the right, with the consent of the Parent Borrower, to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent reasonably satisfactory to the Parent Borrower which shall be a bank with an office in New York, New York, or an Affiliate of any such bank. Upon the acceptance of its appointment as Administrative Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Parent Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Parent Borrower and such successor. After the Administrative Agent's resignation hereunder, the provisions of this Article and Section 10.03 shall continue in effect for the benefit of such retiring Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while it was acting as Administrative Agent.

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any related agreement or any document furnished hereunder or thereunder.

The Syndication Agent and Co-Documentation Agents shall not have any duties or responsibilities under the Loan Documents in their capacity as such.

Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments, or this Agreement,

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of the Administrative Agent, and not, for the avoidance of doubt, to or for the benefit of the Borrowers or any other Loan Party, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lenders’ entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of

any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

ARTICLE IX

Guarantee

SECTION 9.01. Guarantees (a) The Parent Borrower hereby unconditionally and irrevocably guarantees to the Administrative Agent, for the ratable benefit of the Lenders and their respective successors, indorsees, transferees and assigns, the prompt and complete payment and performance by the Subsidiary Borrowers when due (whether at the stated maturity, by acceleration or otherwise) of the Subsidiary Obligations (other than, with respect to any Guarantor, any Excluded Swap Obligations of such Guarantor). As used in this Article IX, the term "Lenders" includes affiliates of Lenders which are parties to any Specified Cash Management Agreements or Specified Swap Agreements.

(b) The Parent Borrower agrees that the Subsidiary Obligations may at any time and from time to time exceed the amount of the liability of the Parent Borrower hereunder that would exist in the absence of this Article IX without impairing this Guarantee or affecting the rights and remedies of the Administrative Agent or any Lender hereunder.

(c) This Guarantee shall remain in full force and effect until all the Subsidiary Obligations shall have been satisfied by payment in full in immediately available funds and the Commitments shall be terminated, notwithstanding that from time to time during the term of this Guarantee the Subsidiary Borrowers may be free from any Subsidiary Obligations.

(d) No payment made by any Borrower, any Guarantor, any other guarantor or any other Person or received or collected by the Administrative Agent or any Lender from any Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Subsidiary Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Parent Borrower hereunder which shall, notwithstanding any such payment (other than any payment made by the Parent Borrower in respect of the Subsidiary Obligations or any payment received or collected from the Parent Borrower in respect of the Subsidiary Obligations), remain liable for the Subsidiary Obligations until the Subsidiary Obligations are paid in full in immediately available funds and the Commitments are terminated.

SECTION 9.02. No Subrogation. Notwithstanding any payment made by the Parent Borrower hereunder or any set-off or application of funds of the Parent Borrower by the Administrative Agent or any Lender, the Parent Borrower shall not be entitled to be subrogated to any of the rights of the Administrative Agent or any Lender against the Subsidiary Borrowers or any other Guarantor or any collateral security or guarantee or right of offset held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations nor shall the Parent Borrower seek or be entitled to seek any contribution or reimbursement from the Subsidiary Borrowers or any other Guarantor in respect of payments made by the Parent Borrower under

this Guarantee, until all amounts owing to the Administrative Agent and the Lenders by the Subsidiary Borrowers on account of the Subsidiary Obligations are paid in full in immediately available funds and the Commitments are terminated. If any amount shall be paid to the Parent Borrower on account of such subrogation rights at any time when all of the Subsidiary Obligations shall not have been paid in full in immediately available funds, such amount shall be held by the Parent Borrower for the benefit of the Administrative Agent and the Lenders, and shall, forthwith upon receipt by the Parent Borrower, be turned over to the Administrative Agent in the exact form received by the Parent Borrower (duly indorsed by the Parent Borrower to the Administrative Agent, if required), to be applied against the Subsidiary Obligations whether matured or unmatured, in such order as the Administrative Agent may determine.

SECTION 9.03. Amendments, etc. with respect to the Subsidiary Obligations. The Parent Borrower shall remain obligated under this Guarantee notwithstanding that, without any reservation of rights against the Parent Borrower and without notice to or further assent by the Parent Borrower, any demand for payment of any of the Subsidiary Obligations made by the Administrative Agent or any Lender may be rescinded by the Administrative Agent or such Lender and any of the Subsidiary Obligations continued, and the Subsidiary Obligations or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified, accelerated, compromised, waived, surrendered or released by the Administrative Agent or any Lender, and this Agreement and any other documents executed and delivered in connection therewith may be amended, modified, supplemented or terminated, in whole or in part, in accordance with Section 10.02, as the Administrative Agent (or the Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by the Administrative Agent or any Lender for the payment of the Subsidiary Obligations may be sold, exchanged, waived, surrendered or released without affecting the Parent Borrower's obligations under this Article IX. Neither the Administrative Agent nor any Lender shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Subsidiary Obligations or for this Guarantee.

SECTION 9.04. Guarantee Absolute and Unconditional. The Parent Borrower waives any and all notice of the creation, renewal, extension or accrual of any of the Subsidiary Obligations and notice of or proof of reliance by the Administrative Agent or any Lender upon this Guarantee or acceptance of this Guarantee; the Subsidiary Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Article IX; and all dealings between the Parent Borrower and any of the Guarantors, on the one hand, and the Administrative Agent and the Lenders, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Article IX. The Parent Borrower waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon the Subsidiary Borrowers or any of the Guarantors with respect to the Subsidiary Obligations. The Parent Borrower understands and agrees that this Guarantee shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity or enforceability of this Agreement, any of the Subsidiary Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by the

Administrative Agent or any Lender, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Subsidiary Borrower or any other Person against the Administrative Agent or any Lender, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of the Subsidiary Borrowers for the Subsidiary Obligations, or of the Parent Borrower under this Article IX, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against the Parent Borrower, the Administrative Agent or any Lender may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against the Subsidiary Borrowers, any other Guarantor or any other Person or against any collateral security or guarantee for the Subsidiary Obligations or any right of offset with respect thereto, and any failure by the Administrative Agent or any Lender to make any such demand, to pursue such other rights or remedies or to collect any payments from any Subsidiary Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Subsidiary Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve the Parent Borrower of any obligation or liability under this Article IX, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of the Administrative Agent or any Lender against the Parent Borrower under this Article IX. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings.

SECTION 9.05. Reinstatement. This Article IX shall continue to be effective, or shall be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Subsidiary Obligations is rescinded or must otherwise be restored or returned by the Administrative Agent or any Lender upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or any Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any Borrower or any Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been made.

SECTION 9.06. Payments. The Parent Borrower hereby guarantees that payments hereunder will be paid to the Administrative Agent without set-off or counterclaim in dollars or the applicable Alternative Currency at the office of the Administrative Agent located at 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300 and to the following wire instructions of the Administrative Agent (or such other address or wire instructions of the Administrative Agent that may be provided from time to time by the Administrative Agent):

Bank: JPMorgan Chase Bank, N.A.
Location: Chicago, Illinois
Account No.: [REDACTED]
ABA No.: 021000021
Beneficiary: Loan Processing D.P.
Reference: Ralph Lauren Corporation

SECTION 9.07. Keepwell. Each Borrower Qualified Keepwell Provider hereby jointly and severally absolutely, unconditionally, and irrevocably undertakes to provide

such funds or other support as may be needed from time to time for the Parent Borrower to qualify as an Eligible Contract Participant during the Swap Guarantee Eligibility Period in respect of any Swap Obligation (*provided, however*, that each Borrower Qualified Keepwell Provider shall only be liable under this Section 9.07 for the maximum amount of such liability that can be hereby incurred without rendering its obligations under this Section 9.07, or otherwise under this Guarantee, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer, and not for any greater amount). The obligations of each Borrower Qualified Keepwell Provider under this Section 9.07 shall remain in full force and effect until the obligations of the Borrowers under this Agreement have expired, been discharged or have otherwise been terminated in accordance with the terms of this Agreement. Each Borrower Qualified Keepwell Provider intends that this Section 9.07 constitute, and this Section 9.07 shall be deemed to constitute, a “keepwell, support, or other agreement” for the benefit of the Parent Borrower for all purposes of section 1a(18)(A)(v)(II) of the Commodity Exchange Act.

ARTICLE X

Miscellaneous

SECTION 10.01. Notices. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein and in the Guarantee Agreement shall be in writing and shall be delivered by hand or nationally recognized overnight courier service, mailed by certified or registered mail, U.S. first class postage prepaid, or sent by telecopy, as follows:

(i) if to any Borrower, to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Jane Hamilton Nielsen, Executive Vice President, Chief Operating Officer and Chief Financial Officer (Telecopy No. (212) 318-7232), with a copy to Ralph Lauren Corporation, 650 Madison Avenue, New York, New York 10022, Attention of Robert Alexander, Senior Vice President, Treasurer and Global Tax (Telecopy No. (201) 531-6251);

(ii) if to the Administrative Agent, to JPMorgan Chase Bank, N.A., 10 South Dearborn Street, 7th Floor, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., Loan and Agency Services Group, 10 South Dearborn, Floor 7, Chicago, Illinois 60603-2300, Attention of Carla Evans-Ali (Telecopy No. (844) 490-5663; Emails: carla.evans-ali@chase.com and jpm.agency.servicing.1@jpmchase.com); and

(iii) if to any other Lender, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the

recipient). Notices delivered through Electronic Systems, to the extent provided in paragraph (b) below, shall be effective as provided in said paragraph (b).

(b) Notices and other communications to the Lenders hereunder may be delivered or furnished by using Electronic Systems pursuant to procedures approved by the Administrative Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Administrative Agent and the applicable Lender. The Administrative Agent or any Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes (i) notices and other communications to a Lender sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications to a Lender posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto (or, in the case of any Lender, by notice to the Administrative Agent and the Parent Borrower).

(d) Electronic Systems.

(iv) Each Loan Party and Lender agrees that the Administrative Agent may, but shall not be obligated to, make Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak, ClearPar or a substantially similar Electronic System.

(v) Any Electronic System used by the Administrative Agent is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of such Electronic Systems and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or any Electronic System. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to any Borrower or the other Loan Parties, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the any Loan Party's or the Administrative Agent's transmission of communications through an Electronic System, in each case except as found by a final, non-appealable

judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Agent Party. “Communications” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Loan Party pursuant to any Loan Document or the transactions contemplated therein which is distributed by the Administrative Agent or any Lender by means of electronic communications pursuant to this Section, including through an Electronic System.

SECTION 10.02. Waivers; Amendments. (a) No failure or delay by the Administrative Agent or any Lender in exercising any right or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Lenders hereunder and under the Guarantee Agreement are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or the Guarantee Agreement or consent to any departure by any Borrower or any Guarantor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent or any Lender may have had notice or knowledge of such Default at the time.

(b) Neither this Agreement nor the Guarantee Agreement nor any provision hereof or thereof may be waived, amended or modified except pursuant to an agreement or agreements in writing entered into by the Borrowers or the Guarantors, as the case may be, and the Required Lenders or by the Borrowers or the Guarantors, as the case may be, and the Administrative Agent with the consent of the Required Lenders; provided that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender, (ii) reduce the principal amount of any Loan or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender affected thereby, (iii) postpone the scheduled date of payment of the principal amount of any Loan, or any interest thereon, or any fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender affected thereby, (iv) change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender, (v) release all or substantially all of the Guarantors from their obligations under the Guarantee Agreement, without the written consent of each Lender (except that no approval of the Lenders shall be required to release a Guarantor in connection with the disposition of all the capital stock of such Guarantor not prohibited by the Loan Documents) or (vi) change any of the provisions of this Section or the definition of “Commitment”, the definition of “Required Lenders”, the definition of “Applicable Percentage” or any other provision hereof specifying the number or percentage of Lenders required to waive, amend or modify any rights hereunder or make any determination or grant any consent hereunder, without the written consent of each Lender; provided, further that no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent without the prior written

consent of the Administrative Agent. If the Administrative Agent and the Parent Borrower acting together identify any ambiguity, omission, mistake, typographical error or other defect in any provision of this Agreement or any other Loan Document, then the Administrative Agent and the Parent Borrower shall be permitted to amend, modify or supplement such provision to cure such ambiguity, omission, mistake, typographical error or other defect, and such amendment shall become effective without any further action or consent of any other party to this Agreement.

SECTION 10.03. Expenses; Indemnity; Damage Waiver. (a) The Parent Borrower shall pay (i) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent, the Syndication Agent and the Lead Arrangers, including the reasonable fees, charges and disbursements of one domestic counsel for the Administrative Agent and the Lead Arrangers, collectively, in connection with the syndication of the credit facilities provided for herein, the preparation of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof and (ii) all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent or any Lender, including the reasonable fees, charges and disbursements of one domestic counsel and one foreign counsel, as necessary, in each applicable jurisdiction for the Administrative Agent, the Syndication Agent or any Lender, in connection with the enforcement or preservation of its rights in connection with this Agreement and the other Loan Documents, including its rights under this Section, or in connection with the Loans made hereunder, including all such reasonable and documented out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans.

(b) The Parent Borrower shall indemnify the Administrative Agent, the Syndication Agent, the Co-Documentation Agents, the Lead Arrangers and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses, including the reasonable fees, charges and disbursements of any counsel for any Indemnitee, incurred by or asserted against any Indemnitee arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document, or any agreement or instrument contemplated hereby, the performance by the parties hereto of their respective obligations hereunder or the consummation of the Transactions or any other transactions contemplated hereby, (ii) any Loan or the use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Parent Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Parent Borrower or any of its Subsidiaries, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether or not such claim, litigation, investigation or proceeding is brought by the Borrower or any other Loan Party or their respective equity holders, Affiliates, creditors or any other third Person and whether based on contract, tort or any other theory and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are found by a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the gross negligence, bad faith or willful misconduct of, or material breach of its obligations under the Loan Documents by, such Indemnitee or such Indemnitee’s employer or any Affiliate of either thereof or any of their respective officers, directors, employees, advisors or agents. Paragraph (b) of this Section

shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) To the extent that the Parent Borrower fails to pay any amount required to be paid by it to the Administrative Agent under paragraph (a) or (b) of this Section, but without affecting the Parent Borrower's obligations thereunder, each Lender severally agrees to pay to the Administrative Agent such Lender's Applicable Percentage (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent in its capacity as such.

(d) To the extent permitted by applicable law, no party hereto shall assert, and each such party hereby waives, any claim against any other party and any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or any other Loan Document, or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or the use of the proceeds thereof; provided that, nothing in this clause (d) shall relieve the Borrowers of any obligation they may have to indemnify an Indemnitee against special, indirect, consequential or punitive damages asserted against such Indemnitee by a third party.

(e) All amounts due under this Section shall be payable promptly after written demand therefor.

SECTION 10.04. Successors and Assigns. (a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) a Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by a Borrower without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in paragraph (c) of this Section) and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraph (b)(ii) below, any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of:

(A) the Parent Borrower; provided that no consent of the Parent Borrower shall be required for an assignment to a Lender, an Affiliate of a Lender (provided that such Affiliate is a Swiss Qualifying Bank or a Swiss Permitted Non-Qualifying Bank), an Approved Fund (provided that such Approved Fund is a Swiss Permitted Non-Qualifying Bank) or, if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred

and is continuing, any other assignee; provided, further, that the Parent Borrower shall be deemed to have consented to any such assignment unless the Parent Borrower shall object thereto by written notice to the Administrative Agent within ten Business Days after having received written notice thereof; and

(B) the Administrative Agent.

(ii) Assignments shall be subject to the following additional conditions:

(A) except in the case of an assignment to a Lender or an Affiliate of a Lender or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall not be less than \$5,000,000 unless each of the Parent Borrower and the Administrative Agent otherwise consent, *provided* that no such consent of the Parent Borrower shall be required if an Event of Default under clause (a), (b), (h) or (i) of Article VII has occurred and is continuing;

(B) each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement;

(C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption, together with a processing and recordation fee of \$3,500;

(D) the Eligible Assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire;

(E) no assignment (including any assignment to a Lender, an Affiliate of a Lender or an Approved Fund) shall be permitted if, immediately after giving effect thereto, amounts would become payable by any Borrower under Section 2.13 or 2.15 (including amounts payable under Section 2.15 in respect of withholding taxes) that are in excess of those that would be payable under such Section in respect of the amount assigned if such assignment were not made;

(F) no assignment shall be made to a natural person; and

(G) no assignment shall be made to any Borrower or its Affiliates.

(H) For the purposes of this Section 10.04(b), the term "Approved Fund" has the following meaning:

"Approved Fund" means any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in bank loans and similar extensions of credit in the

ordinary course of its business and that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(iv) of this Section, from and after the effective date specified in each Assignment and Assumption the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement (including, in the case of any Non-U.S. Lender, obligations under Section 2.15(f)), and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.13, 2.14, 2.15 and 10.03); provided, however, that no such assignment or transfer shall be deemed to be a waiver of any rights which any Borrower, the Administrative Agent or any other Lender shall have against such Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 10.04 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with, and subject to the conditions set forth in, paragraph (c) of this Section.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrowers, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal amount of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive absent manifest error, and each Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by any Borrower and (solely with respect to the Revolving Credit Exposure of such Lender) any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section and any written consent to such assignment required by paragraph (b) of this Section, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(c) (i) Any Lender may, without the consent of the Parent Borrower or the Administrative Agent, sell participations to one or more banks or other entities (a "Participant") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it); provided that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (C) the relevant Participant

will have no proprietary interest in the benefit of this Agreement or in any monies received by such Lender under or in relation to this Agreement, (D) the relevant Participant will under no circumstances be subrogated to, or substituted in respect of, such Lender's claims under this Agreement or have otherwise any contractual relationship with, or rights against, any Borrower under, or in relation to, this Agreement (except as set forth in the following sentence with regards to benefits that each Participant is entitled to under Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired an interest by assignment pursuant to paragraph (b) of this Section) and (E) the Borrowers, the Administrative Agent and the Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in clauses (i), (ii), (iii), (v) and (vi) of the first proviso to Section 10.02(b) that affects such Participant. Subject to paragraph (c)(ii) of this Section, each Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant shall also be entitled to the benefits of Section 10.08 as though it were a Lender, provided such Participant agrees to be subject to Section 2.16(c) as though it were a Lender; provided that, the foregoing sentence shall not apply to Ralph Lauren Europe Sàrl. Each Lender that sells a participation, acting solely for this purpose as a non-fiduciary agent of the Borrowers, shall maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under this Agreement (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitments, Loans or its other obligations under any Loan Document) except to the extent that such disclosure is necessary to establish that such Commitment, Loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive, and such Lender, each Loan Party and the Administrative Agent shall treat each Person whose name is recorded in the Participant Register pursuant to the terms hereof as the owner of such participation for all purposes of this Agreement, notwithstanding notice to the contrary.

(ii) A Participant shall not be entitled to the benefits of Section 2.13, 2.14 or 2.15 unless such Participant shall have complied with the requirements of such Section; provided, that in any case in which a Participant is so entitled, any such Participant shall not be entitled to receive any greater payment under Section 2.13, 2.14 or 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Parent Borrower's prior written consent, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Non-U.S. Lender if it were a Lender shall not be entitled to the benefits of Section 2.15 unless the Parent Borrower is notified of the participation sold to such Participant and such Participant

agrees, for the benefit of the applicable Borrower, to comply with Section 2.15(e) as though it were a Lender.

(d) Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including without limitation any pledge or assignment to secure obligations to a Federal Reserve Bank, and this Section shall not apply to any such pledge or assignment of a security interest; provided that no such pledge or assignment of a security interest shall (i) release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto (ii) require any payments to be made by any Borrower or grant to any person any more extensive rights than those required to be made or granted to the relevant Lender under the Loan Documents, or (iii) upon any enforcement of such pledge or assignment of a security interest, result in any assignment, transfer or sub-participation of any such rights under the Loan Documents which is in breach of this Clauses (a), (b) or (c) of this Section 10.04.

SECTION 10.05. Survival. All representations and warranties made by the Borrowers herein and the other Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to this Agreement shall survive the execution and delivery of this Agreement and the making of any Loans, and shall terminate at such time as no principal of or accrued interest on any Loan or any fee or any other amount payable under this Agreement (other than contingent indemnification obligations that are not due and payable) is outstanding and unpaid and the Commitments have expired or been terminated. The provisions of Sections 2.13, 2.14, 2.15, 10.03, 10.13 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the repayment of the Loans, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 10.06. Counterparts; Integration; Effectiveness. (a) This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the Guarantee Agreement and any separate letter agreements with respect to fees payable to the Administrative Agent constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof which, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(b) Delivery of an executed counterpart of a signature page of (x) this Agreement, (y) any other Loan Document and/or (z) any document, amendment, approval, consent, information, notice, certificate, request, statement, disclosure or authorization related to this Agreement, any other Loan Document and/or the transactions contemplated hereby and/or thereby (each an "Ancillary Document") (which, as applicable, shall be delivered as set forth in Section 10.01) that is an Electronic Signature transmitted, to the extent permitted by Section 10.01 and this sentence, by telecopy, emailed pdf. or any other electronic means that reproduces an image

of an actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement, such other Loan Document or such Ancillary Document, as applicable; provided that nothing herein shall require the Administrative Agent to accept Electronic Signatures in any form or format without its prior written consent and pursuant to procedures approved by it; provided, further, without limiting the foregoing, (i) to the extent the Administrative Agent has agreed to accept any Electronic Signature, the Administrative Agent and each of the Lenders shall be entitled to rely on such Electronic Signature purportedly given by or on behalf of the Borrower or any other Loan Party without further verification thereof and without any obligation to review the appearance or form of any such Electronic signature and (ii) upon the request of the Administrative Agent, any Borrower, any other Loan Party or any Lender, any such Electronic Signature shall be promptly followed by a manually executed counterpart. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, any other Loan Document and/or any Ancillary Document shall be deemed to include Electronic Signatures, deliveries or the keeping of records in any electronic form (including deliveries by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page), each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be. Without limiting the generality of the foregoing, the Borrower and each Loan Party hereby, subject to the provisos in the first sentence of this Section 10.06(b), (i) agrees that, for all purposes, including without limitation, in connection with any workout, restructuring, enforcement of remedies, bankruptcy proceedings or litigation among the Administrative Agent, the Lenders, the Borrower and the Loan Parties, Electronic Signatures transmitted (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page and/or any electronic images of this Agreement, any other Loan Document and/or any Ancillary Document shall have the same legal effect, validity and enforceability as any paper original, (ii) the Administrative Agent, each of the Lenders, each Borrower and each other Loan Party may, at its option, create one or more copies of this Agreement, any other Loan Document and/or any Ancillary Document in the form of an imaged electronic record in any format, which shall be deemed created in the ordinary course of such Person's business, and destroy the original paper document (and all such electronic records shall be considered an original for all purposes and shall have the same legal effect, validity and enforceability as a paper record), (iii) waives any argument, defense or right to contest the legal effect, validity or enforceability of this Agreement, any other Loan Document and/or any Ancillary Document based solely on the lack of paper original copies of this Agreement, such other Loan Document and/or such Ancillary Document, respectively, including with respect to any signature pages thereto and (iv) waives any claim against any Lender and its related parties for any losses, claims, damages, liabilities and related expenses arising solely from the Administrative Agent's and/or any Lender's reliance on or use of Electronic Signatures and/or transmissions (to the extent permitted by Section 10.01 and the first sentence of this Section 10.06(b)) by telecopy, emailed pdf. or any other electronic means that reproduces an image of an actual executed signature page, including any losses, claims, damages, liabilities and related expenses arising as a result of the failure of the Borrower and/or any Loan Party to use any available security measures in connection with the execution, delivery or transmission of any Electronic Signature.

SECTION 10.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to

the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other obligations at any time owing by such Lender or Affiliate to or for the credit or the account of any Borrower against any of and all the obligations of any Borrower now or hereafter existing under this Agreement held by such Lender, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured; provided that, to the extent prohibited by applicable law as described in the definition of "Excluded Swap Obligation", no amounts received from, or set off with respect to, any Guarantor shall be applied to any Excluded Swap Obligations of such Guarantor. The rights of each Lender under this Section are in addition to other rights and remedies (including other rights of setoff) which such Lender may have.

SECTION 10.09. Governing Law; Jurisdiction; Consent to Service of Process. (a) This Agreement and the other Loan Documents shall be construed in accordance with and governed by the law of the State of New York without reference to rules or principles that would require the application of the laws of any other jurisdiction.

(b) Each of the Lenders and the Administrative Agent hereby irrevocably and unconditionally agrees that, notwithstanding the governing law provisions of any applicable Loan Document, any claims brought against the Administrative Agent by any Lender relating to this Agreement, any other Loan Document or the consummation or administration of the transactions contemplated hereby or thereby shall be construed in accordance with and governed by the law of the State of New York.

(c) Each of the parties hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the United States District Court for the Southern District of New York sitting in the Borough of Manhattan (or if such court lacks subject matter jurisdiction, the Supreme Court of the State of New York sitting in the Borough of Manhattan), and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may (and any such claims, cross-claims or third party claims brought against the Administrative Agent or any of its Related Parties may only) be heard and determined in such Federal (to the extent permitted by law) or New York State court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Administrative Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrowers, any Loan Party or its properties in the courts of any jurisdiction.

(d) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(e) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

SECTION 10.10. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 10.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 10.12. Confidentiality. Each of the Administrative Agent and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' directors, officers, employees and agents, including accountants, legal counsel and other advisors, in each case who have a need to know such Information in accordance with customary banking practices (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any Governmental Authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners) (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party to this Agreement, (e) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to any Borrower and its obligations, (g) with the consent of the Parent Borrower or (h) to the extent such Information (i) becomes publicly available other than as a result of a breach of this Section or (ii) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than a Borrower which is not subject to a

confidentiality obligation known to the Administrative Agent and the Lenders with respect to such information. For the purposes of this Section, “Information” means all information received from any Borrower or any Subsidiary relating to such Borrower, any Subsidiary or their respective businesses, other than any such information that is available to the Administrative Agent or any Lender on a nonconfidential basis prior to disclosure by such Borrower or any Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; provided that, in the case of information received from any Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 10.13. Satisfaction in Applicable Currency. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligation of each Borrower hereunder to make payments in a currency (the “Agreement Currency”) shall, notwithstanding any judgment in a currency (the “Judgment Currency”) other than the Agreement Currency, be discharged only to the extent that, on the Business Day following receipt by the Administrative Agent and the Lenders of any sum adjudged to be so due in the Judgment Currency, the Administrative Agent and the Lenders may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the applicable Borrower agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Administrative Agent and each Lender (as an alternative or additional cause of action) against such loss (if any) and if the amount of the Agreement Currency so purchased exceeds the sum originally due to the Administrative Agent and the Lenders in the Agreement Currency, the Administrative Agent and the Lenders agree to remit such excess to the applicable Borrower. The obligations of each Borrower contained in this Section 10.13 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 10.14. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by: the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

- (i) a reduction in full or in part or cancellation of any such liability;
- (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent entity, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or
- (iii) the variation of the terms of such liability in connection with the exercise of the Write-Down and Conversion Powers of the applicable Resolution Authority.

SECTION 10.15. No Fiduciary Duty. The Administrative Agent, each Lender and their Affiliates (collectively, solely for purposes of this paragraph, the “Lenders”), may have economic interests that conflict with those of each of the Borrowers, its stockholders and/or its affiliates. Each Borrower agrees that nothing in the Loan Documents or otherwise will be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between any Lender, on the one hand, and any Borrower, its stockholders or its affiliates, on the other. Each Borrower acknowledges and agrees that (i) the transactions contemplated by the Loan Documents (including the exercise of rights and remedies hereunder and thereunder) are arm’s-length commercial transactions between the Lenders, on the one hand, and the Borrowers, on the other, and (ii) in connection therewith and with the process leading thereto, (x) no Lender has assumed an advisory or fiduciary responsibility in favor of any Borrower, its stockholders or its affiliates with respect to the transactions contemplated hereby (or the exercise of rights or remedies with respect thereto) or the process leading thereto (irrespective of whether any Lender has advised, is currently advising or will advise any Borrower, its stockholders or its Affiliates on other matters) or any other obligation to any Borrower except the obligations expressly set forth in the Loan Documents and (y) each Lender is acting solely as principal and not as the agent or fiduciary of any Borrower, its management, stockholders, creditors or any other Person. Each Borrower acknowledges and agrees that it has consulted its own legal and financial advisors to the extent it deemed appropriate and that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Each Borrower agrees that it will not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to such Borrower, in connection with such transaction or the process leading thereto.

SECTION 10.16. USA PATRIOT Act. Each Lender and the Administrative Agent hereby notifies the Borrowers that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Patriot Act”), such Lender and Agent is required to obtain, verify and record information that identifies the Borrowers, which information includes the name and address of the Borrowers and other information that will allow such Lender or the Administrative Agent, as applicable, to identify the Borrower in accordance with the Patriot Act. The Borrowers shall provide such information and take such actions as are reasonably requested by the Administrative Agent or any Lender in order to assist the Administrative Agent and the Lenders in maintaining compliance with the Patriot Act.

SECTION 10.17. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Agreements or any other agreement or instrument that is a QFC (such support “QFC Credit Support” and each such QFC a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

[Remainder of Page Intentionally Left Blank;

Signatures Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

RALPH LAUREN CORPORATION

By: /s/ Jane Nielsen
Name: Jane Nielsen
Title: Chief Financial Officer and Chief Operating Officer

RL FINANCE B.V.

By: /s/ Agnieszka Gradek
Name: Agnieszka Gradek
Title: Managing Director

RALPH LAUREN EUROPE SÀRL

By: /s/ Robert Alexander
Name: Robert Alexander
Title: Managing Officer (Gérant)

RALPH LAUREN ASIA PACIFIC LIMITED

By: /s/ Shih Jern Liang
Name: Shih Jern Liang
Title: Director

[Signature Page to 364-Day Credit Agreement]

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent

By: /s/ Devin Roccisano

Name: Devin Roccisano

Title: Executive Director

[Signature Page to 364-Day Credit Agreement]

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ Devin Roccisano
Name: Devin Roccisano
Title: Executive Director

Bank of America, N.A., as a Lender

By: /s/ Kevin Yuen
Name: Kevin Yuen
Title: Senior Vice President

DEUTSCHE BANK AG NEW YORK BRANCH, as a
Lender

By: /s/ Ming K. Chu
Name: Ming K. Chu
Title: Director

By: /s/ Annie Chung
Name: Annie Chung
Title: Director

[Signature Page to 364-Day Credit Agreement]

ING BANK N.V., DUBLIN BRANCH, as a Lender

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

By: /s/ Cormac Langford
Name: Cormac Langford
Title: Director

SUMITOMO MITSUI BANKING CORPORATION, as a
Lender

By: /s/ Katie Lee
Name: Katie Lee
Title: Director

HSBC Bank USA, N.A., as a Lender

By: /s/ Jason Fuqua
Name: Jason Fuqua
Title: Vice President

GOLDMAN SACHS BANKS USA, as a Lender

By: /s/ Annie Carr
Name: Annie Carr
Title: Authorized Signatory

[Signature Page to 364-Day Credit Facility]

SIGNIFICANT SUBSIDIARIES OF THE COMPANY

Entity Name	Jurisdiction of Formation
Acqui Polo CV	Netherlands
Acqui Polo GP, LLC	Delaware
PRL Fashions Inc.	Delaware
PRL International, Inc.	Delaware
PRL Netherlands Limited, LLC (f/k/a Acqui Polo Limited, LLC)	Delaware
PRL USA, Inc.	Delaware
Ralph Lauren Asia Pacific Limited (f/k/a Polo Ralph Lauren Asia Pacific, Limited)	Hong Kong
Ralph Lauren Commercial Enterprises ULC	Ireland
Ralph Lauren Europe Sàrl (f/k/a Polo Ralph Lauren Europe Sàrl)	Switzerland
Ralph Lauren Holding BV (f/k/a Polo Hold BV)	Netherlands
Ralph Lauren International Holdings ULC	Ireland
Ralph Lauren Retail, Inc. (f/k/a Fashions Outlet of America, Inc.)	Delaware
RL Acqui Polo Holding GP, Sàrl	Luxembourg
RL CV Holding Limited, Sàrl	Luxembourg
RL Finance BV (f/k/a Polo Fin BV)	Netherlands
The Polo/Lauren Company LP	New York

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statements on Form S-8 pertaining to the 1997 Long-Term Stock Incentive Plan (Registration No. 333-46808), Form S-8 pertaining to the 1997 Long-Term Stock Incentive Plan and 1997 Stock Option Plan for Non-Employee Directors (Registration No. 333-29023), Form S-8 pertaining to the 2010 Long-Term Stock Incentive Plan (Registration No. 333-169619), Form S-8 pertaining to the Amended and Restated 2010 Long-Term Stock Incentive Plan (Registration No. 333-191338), Form S-8 pertaining to the 2019 Long-Term Stock Incentive Plan (Registration Nos. 333-213431 and 333-232956), and Form S-3 (Registration No. 333-226636) by Ralph Lauren Corporation, of our reports dated May 27, 2020, with respect to the consolidated financial statements of Ralph Lauren Corporation and the effectiveness of internal control over financial reporting of Ralph Lauren Corporation included in this Annual Report (Form 10-K) for the year ended March 28, 2020.

/s/ Ernst & Young LLP

New York, NY
May 27, 2020

CERTIFICATION

I, Patrice Louvet, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ralph Lauren Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PATRICE LOUVET

Patrice Louvet

President and Chief Executive Officer

(Principal Executive Officer)

Date: May 27, 2020

CERTIFICATION

I, Jane Hamilton Nielsen, certify that:

1. I have reviewed this Annual Report on Form 10-K of Ralph Lauren Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

*Chief Operating Officer and Chief Financial Officer
(Principal Financial and Accounting Officer)*

Date: May 27, 2020

**Certification of Patrice Louvet Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Ralph Lauren Corporation (the "Company") on Form 10-K for the period ended March 28, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrice Louvet, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ PATRICE LOUVET

Patrice Louvet

Date: May 27, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ralph Lauren Corporation and will be retained by Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**Certification of Jane Hamilton Nielsen Pursuant to 18 U.S.C. Section 1350,
as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Ralph Lauren Corporation (the "Company") on Form 10-K for the period ended March 28, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jane Hamilton Nielsen, Chief Operating Officer and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ JANE HAMILTON NIELSEN

Jane Hamilton Nielsen

Date: May 27, 2020

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Ralph Lauren Corporation and will be retained by Ralph Lauren Corporation and furnished to the Securities and Exchange Commission or its staff upon request.